

MAN IN WOOL
Drummonds
Suits
ask your tailor!

IMI
means more than metal
Central Metal Industries Limited, Birmingham
Building Products - Heat exchangers - Power
General Engineering - Zylinders
Reinment and wrought steels

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.15; DENMARK Kr.3.5; FRANCE Fr.7.8; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 15p

NEWS SUMMARY

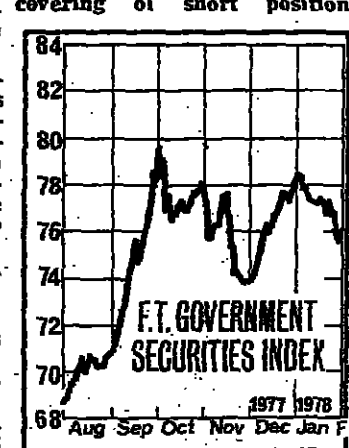
London not to get new airport

London and the South-East are to have a new airport. At Heathrow, Gatwick, Luton Stansted will be expanded to meet air traffic growth in the area.

Equities up 2.8; Gilts improve

● **EQUITIES** reacted to the gloomy CBI survey of industrial confidence. Trading was thin and bear closing left the FT ordinary index 2.8 up at 469.8.

● **GILTS** improved early, and covering of short positions resulted in gains of 1. The Government Securities Index closed 0.49 up at 76.10.



eventual fifth terminal for

row is rejected and even proposed fourth terminal, d at improving the airport's city to 35m, passengers a is to be subjected to a publicity.

ster controls on aircraft

proposed, the effect of a will be to eliminate all present-type Boeing 707s, 747s, 737s and 727s from British airlines by 1986. Back and Page 10

ten returns

David Owen, Foreign Secretary, returned to London from a last night after talks on Anglo-U.S. proposals on lesia had ended with little rent progress on the main s. Internal settlement talks, h. resumed in Salisbury, soon bogged down when on November 1977, the onat Council leader, deman- a change in the already ed formula for the election nity representatives. Page 10

tellite launch

Soviet Union has launched her satellite, Cosmos 1967, orbit. Two more pieces of debris from a crashed satellite were found in herna Canada. One of the cts was emitting moderate radiation, a defence official said.

dia visit

first Chinese delegation to India since 1962 border is due to arrive in Delhi next e. Page 6. China's first ese English dictionary is e printed, the New China's Agency reported.

ster baby shot

by boy, aged 11 months, was usily ill in a Belfast hospital night after a shooting. He is the son of a man e case was taken to the epan Court on Human ts by the Irish Government. Provisional Sinn Féin, pol- ing of the Provisional said. Earlier, a bomb ex- in a central Belfast shop.

ruit bomb

made exploded in a crowded it square, killing one person wounding 17. Midwest, Page 10

htship adrift

Seven Stones lightship was t last night in mountainous off Land's End. In the same a 320-ton coaster, loaded explosives, was being ed by a 122. The oil rig, l. Orion, was drifting d- usly off Guernsey.

Unions give qualified support for survival plan

Leyland to cut 12,500 jobs

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

MR. MICHAEL EDWARDS, the new chairman of British Leyland, won qualified trade union approval yesterday for his plans to trim the Leyland Cars workforce by 12,500 this year and to introduce further cuts in the future by "natural wastage, redundancy programmes, plant closures, or some combination of these."



Mr. Edwards: a "unique and historic meeting."

Support for these radical proposals came after he had given an uncompromising speech to 700 union and management officials at a Kenilworth hotel. Mr. Edwards, who emerged from the meeting in euphoric mood, later described the gathering as "unique" and a "historic meeting the like of which has never happened before in this country."

This was the first time that Mr. Edwards has appeared before a large meeting of Leyland senior management and shop stewards. He took the opportunity to offer a bleak warning on the future for a company which had "become the butt of cartoonists from Tokyo to Detroit."

On the central issue of Leyland over-manning, he said the question was not whether the company was over-manned but by how much. "The less we are able to produce quality cars steadily, the more serious the over-manning will have to be."

This message, and a resolution to "line up manning levels and production capacity with market needs," was warmly received by the meeting, although some people present suggested that Lord Ryder, the former head of the National Enterprise Board, had been given a stronger welcome when he addressed a similar meeting just over two years ago.

But it is clear that Mr. Edwards will face deep opposition from some quarters if he resorts to large-scale compulsory redundancy programmes. Several warnings were given during the meeting that, while the unions supported moves to raise productivity, they would not acquiesce to large-scale cut-backs. They are still working for a more expansionist policy, with an aggressive approach to sales.

Asked at a Press conference later about his plans to trim the workforce, Mr. Edwards said that talks would now start on a plant-by-plant basis. On plant closures, he said the group was looking closely at all its loss-making operations at home and overseas, and would take the necessary action once this examination was over. But commenting on the 11-week strike at the Speke, Liverpool, TRT plant, he said that he would not be influenced by short-term considerations in our long-term strategic planning.

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

home and overseas, and would take the necessary action once this examination was over. But commenting on the 11-week strike at the Speke, Liverpool, TRT plant, he said that he would not be influenced by short-term considerations in our long-term strategic planning.

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

THE NEW STRUCTURE

LEYLAND CARS, renamed BL Cars, will retain common functions such as central bargaining, but will have three subsidiaries:

- Austin Morris will manufacture and market volume cars.
- Jaguar, Rover, Triumph will manufacture and market specialist cars.
- BL Components will embrace parts, SU-Butech, foundry and body operations, supplying Leyland and external customers.

Within BL Components, Pressed Steel Fisher will be restored as a separate subsidiary company.

Land-Rover will become a subsidiary company of specialist cars, responsible for expanding output of four-wheel drive vehicles.

LEYLAND INTERNATIONAL, renamed BL International and shorn of responsibility for exports, will manage certain subsidiaries and trade investments overseas.

TRUCK AND BUS GROUP becomes Leyland Vehicles and will extend range of models.

SPECIAL PRODUCTS GROUP renamed SP Industries

CENTRAL engineering department created to co-ordinate long-term product planning.

home and overseas, and would take the necessary action once this examination was over. But commenting on the 11-week strike at the Speke, Liverpool, TRT plant, he said that he would not be influenced by short-term considerations in our long-term strategic planning.

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Mr. Edwards also made it quite clear that he intends to press ahead with his reorganisation of Leyland Cars and the wide-ranging reshuffle of management in the organisation. Continued on Back Page

Israeli oranges poison threat

BY OUR FOREIGN STAFF

OFFICIALS in several European countries moved swiftly yesterday to head off a possible threat to health posed by the discovery of mercury in Israeli oranges. Extra precautions were being taken after several had been found infected with metallic mercury in West Germany and Holland.

None have been detected in the U.K. and the Israeli Citrus Marketing Board said there was no danger to British consumers.

The Ministries of Health in Holland and West Germany said letters had been received threatening to poison Israeli fruit. The letters came from a group calling itself the "Arab Revolutionary Army-Palestine Command."

Serious

Israeli security services were consulted and the Citrus Marketing Board launched an investigation to trace the origin of the contamination.

This new terrorist threat could have serious implications for Israel's fruit exports. Citrus fruit represents Israel's main agricultural exports and accounts for about 6 to 7 per cent. of the country's total exports and around 23 per cent. of total exports to the EEC.

West German retailers were quick to remove Israeli fruit of all kinds from their displays. So far as was known, no one had eaten any contaminated fruit.

In West Berlin the health ministry ordered shops to stop selling the oranges and residents were warned over the radio not to buy the fruit. Jaffas were also taken off the stands at a big international food fair being held there.

In Maastricht in south-east Holland, traces of mercury too small to be a danger to public health were found in 14 oranges.

In London the Department of Health advised the public that oranges from Israel marked "Jaffa" would show signs of silver-grey droplets in the flesh after being peeled and divided if they had been tampered with.

Threat to exports Page 6

Industry strategy to put emphasis on co-operation

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Prime Minister yesterday set the scene for both sides of industry to cooperate in spreading the understanding and impact of the industrial strategy in individual companies. The Government regards this as essential if Britain's manufacturing industry is to improve its share of world markets.

Mr. James Callaghan launched his initiative at a meeting of the National Economic Development Council. He confirmed that there will be no early legislation on the Bullock Report's worker director proposals and is to meet the Confederation of British Industry for talks on this next week.

He also indicated that there would only be limited Government intervention in industry, including some new and expanded financial aid schemes. Generally the emphasis for the coming months would be on voluntary co-operation between Government, companies and employees, with £250,000 allocated for a special State-funded communications exercise.

After the meeting Mr. Denis Healey, Chancellor of the Exchequer, said it was for "private entrepreneurs" to pick the winners in industry and to decide how to "invest their money wisely," indicating that there was no thought of national planning machinery for choosing between potential winners and losers.

Mr. Eric Varley, industry Secretary, opposed the view of many leading Labour Left-wingers when he said that although the government had been unsuccessful in its voluntary planning agreement policy, he did not think new legislation on industrial matters was needed.

A paper presented to the meeting by Mr. Healey and Mr. Varley, which reviewed the first two years of the industrial strategy, put the economic growth rate above 3 per cent. if the industrial strategy succeeded in modernising key sectors of the British manufacturing industry to increase exports and reduce imports.

German Minister offers to resign

BY JONATHAN CARR

HEER GEORG LEBER, West Germany's Defence Minister, today offered to resign—a move increasing speculation that a big Cabinet reshuffle may be in the offing.

His offer came at a Cabinet meeting during which he said he had unintentionally misled Parliament over bugging activities by the military counter-intelligence service.

A Government spokesman said Chancellor Helmut Schmidt had urged the Minister to reconsider but it is widely felt that by the public announcement of Herr Leber's action the die has been cast.

Over the past year or more, the Defence Ministry has been involved in a series of controversial affairs, most recently over espionage and bugging activities. There have been clear signs that, besides facing severe criticism from the Parliamentary opposition, Herr Leber has also been losing the support of the Social Democrat

and Free Democrat coalition parties.

There is a growing fear in the coalition that his continuation in office could prove a political liability. This year sees four major provincial elections in West Germany.

To-day it was also revealed that Herr Helmut Rohde, the Education Minister, had told Herr Schmidt he wished to leave this year to devote himself to more SPD party work.

The specific point on which Herr Leber has offered his resignation involves his statement during a stormy Bundestag debate last week that the apartment of one of his secretaries had been bugged by counter-intelligence which believed—incorrectly—that the woman might be involved in espionage.

To-day, Herr Leber told the Cabinet he could no longer stand by that statement. No details have been revealed of what other bugging cases there have been.

Sun Alliance pay row grows

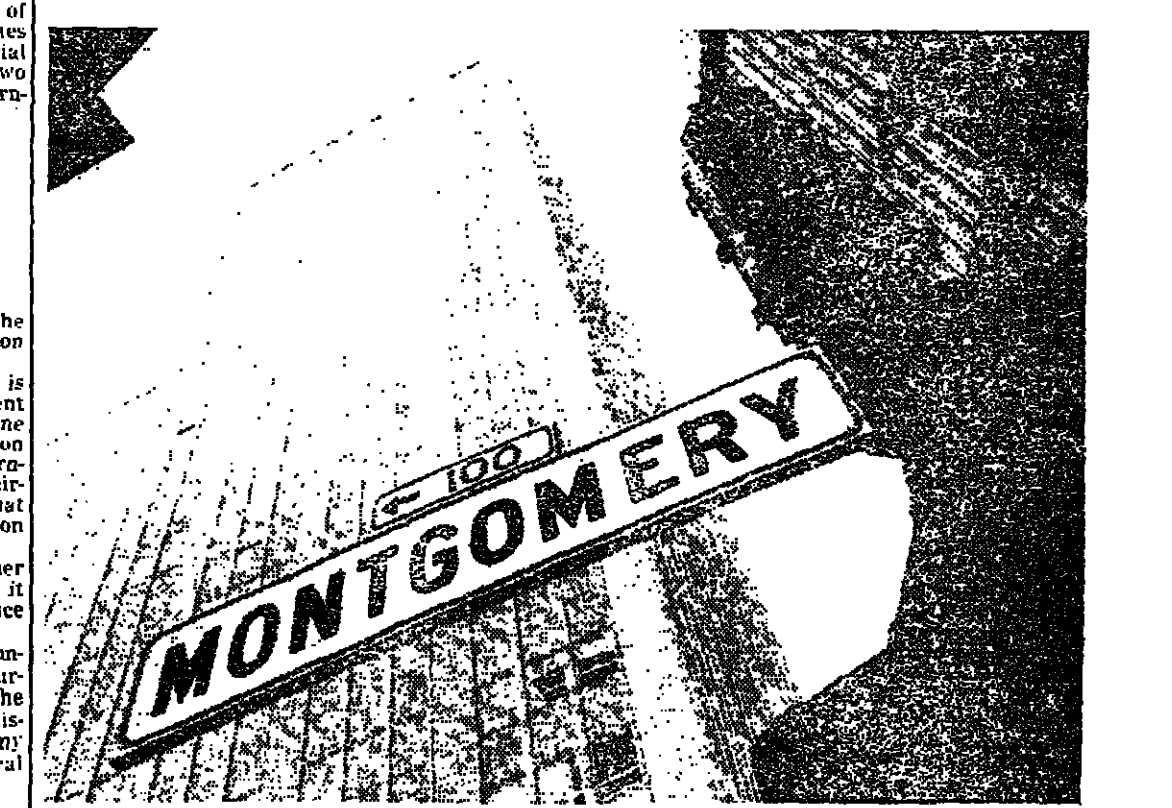
BY ERIC SHORT

THE Department of Trade told Sun Alliance and London Insurance last night that it would force the company to cut premium rates to compensate for allegedly breaking the pay ceiling after it refused to discuss making voluntary cuts.

All is set for a confrontation between the Government and Sun Alliance unless the company, which now plans to take legal advice, is prepared to drop its plans to make its staff pension scheme non-contributory.

The Government claims the pension scheme is not included in the listing of restrictions on improvements in company pension schemes.

Last week Mr. Stanley Clinton Davis, Under-Secretary for Trade, wrote to the company requesting a meeting and pointing out that under the Counter Inflation Act 1973 the Minister had the power to restrict insurance premiums.



WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?

More and more in California, that vital region of the West. The Group now has 22 branches in California and has become part of the domestic banking scene.

With our direct branch-to-branch system we save you time and money by going straight away to the Group branch in California or anywhere else in the world that suits your business best. Ask Keith Skinner about it today on 01-623 7500.

Standard Chartered Bank Limited
helps you throughout the world

Richard

men were jailed for five and six years at the Old Bailey for stealing computer from ICI and blackmailing company for £275,000. Page 8

inal Hume, Archbishop of minster, addressing the ral Synod of the Church of and, said that divided itianity was "a scandal."

Richard

men were jailed for five and six years at the Old Bailey for stealing computer from ICI and blackmailing company for £275,000. Page 8

inal Hume, Archbishop of minster, addressing the ral Synod of the Church of and, said that divided itianity was "a scandal."

EUROPEAN NEWS

CYPRUS

The economic chasm grows wider

BY METIN MUNIR, RECENTLY IN NICOSIA

THE CAROB trees in the "Turkish Federated State of Cyprus" are slowly dying of neglect. Since the war of 1974 no one has been treating them to prevent rats nibbling at the base of the branches. Almost all the thousands of carob trees in northern Cyprus have a dead branch or two and brown and brittle leaves.

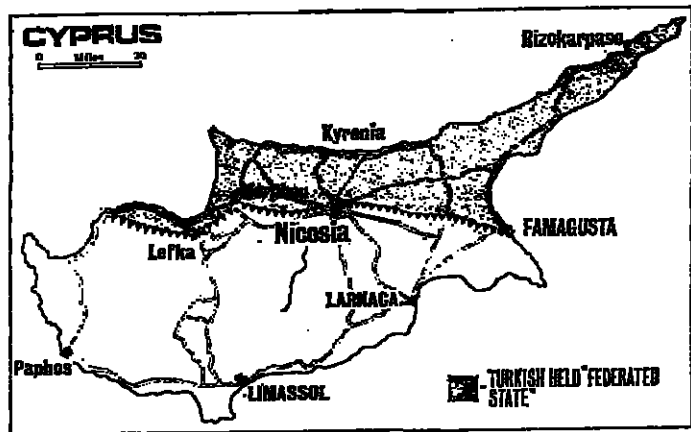
An evergreen of the Mediterranean like the olive, the carob is a symbol of Cyprus rather as cedars are of the Lebanon. Unlike the cedars, it is also a source of income, its fleshy pod being used for fodder and to make tressle. All that the carobs in northern Cyprus signify now, however, is the sickness of the Turkish Cypriot economy.

Although making some economic progress, Mr. Rauf Denktaş's Turkish Cypriot Government has been unable to raise GNP in the north to the pre-1974 level. The Greek Cypriots for their part have surpassed their pre-war GNP in spite of having lost 36 per cent. of the island to the Turks.

The economic chasm between the Turks and Greeks, one of the principal causes of intercommunal strife, is still widening and will make it very hard for the two communities to co-exist peacefully without physical barriers to separate them once the Cyprus problem is settled.

The recent visits to Ankara, Athens and Nicosia of the UN Secretary General, Dr. Kurt Waldheim, have created a new bout of optimism. It is expected that the intercommunal peace talks, discontinued for nearly a

year, will be resumed by March. It is generally accepted now—shopping on the Greek side and very few Turkish shops not going bankrupt. The new Turkish even by the Greeks—that the Prime Minister, Mr. Bulent Ecevit, has promised Dr. Waldheim concrete proposals on the will live side by side, under a constitutional and other aspects joint central government. A question bothering very few time that Ankara agreed to people at this point is how, given



produce a map—in effect accepting to give some conquered land back to the Greeks.

The Turks have had a map ready for a long time—in fact several maps with alternative territorial concessions—but not a government strong enough to bring them out. Mr. Ecevit apparently feels strong enough to negotiate a settlement. As the man who sent the Turkish army to Cyprus in the first place he has enough prestige at home to give away land to the Greeks which will be anathema to many Turks.

required to develop the Turkish Cypriot economy in a way it would reach the standard of the Greeks.

The new Turkish Cypriot ministries and civil service are inefficient. Capital accumulation is low, and the shortage of managerial and technical skills as pronounced as ever. There are virtually no foreign currency reserves. Without a central bank and an efficient finance ministry the government has little control over the Turkish lira which replaced the Cyprus pound as legal tender soon after the war.

There are many reasons why the Turks are lagging behind the Greeks and that the gap will be unbridgeable unless Turkish Cypriots receive sustained foreign aid. The Turks, who number about 140,000, were—and still are—ill-prepared to utilise the economic potential left behind by the Greeks when they fled to the south. For over a decade they had lived in poverty-stricken enclaves as second-class citizens, cast outside the island's economy as well as its administration while their compatriots prospered. The Turks were the farmers, shepherds, small shopkeepers and civil servants.

Before the war the Turkish Cypriots were screaming for sympathy and getting very little. After the war they screamed for help and received even less. Help from abroad has come only from Turkey but not in adequate amounts. Itself bogged down with political instability and grave economic problems, Ankara failed to provide the money and technical and managerial skills

required to develop the Turkish Cypriot economy in a way it would reach the standard of the Greeks.

The new Turkish Cypriot ministries and civil service are inefficient. Capital accumulation is low, and the shortage of managerial and technical skills as pronounced as ever. There are virtually no foreign currency reserves. Without a central bank and an efficient finance ministry the government has little control over the Turkish lira which replaced the Cyprus pound as legal tender soon after the war.

There is, furthermore, no coherent development plan or even annual programmes. The government has so little money that it is finding it difficult to pay civil servants' salaries. In brief, as a new fortnightly put out by Mr. Denktaş's son, Raif Denktaş, put it: "The situation is chaotic."

Another major obstacle is the economic sanctions imposed on the Turks by the Greeks. The Greeks have kept airlines from the Turkish Cypriot airport at Ercan and ships from Famagusta harbour which very effectively undermined tourism and exports.

Any solution that may be reached in Cyprus cannot be long-lasting if it does not take into account the poor economic condition of the Turkish Cypriots. Indeed, there may not be a solution at all: the Greek Cypriots, continuing to prosper, have little incentive to yield government power to the Turks, and the Turks, not prospering enough, dread that they may fall even further behind the Greeks.

Iraqis cut oil supplies to Turkey

ANKARA, Feb. 1.

IRAQ has shipped no crude oil to Turkey since the beginning of the year because of a dispute over payments, the Anatolia agency reported today, quoting Foreign Ministry officials and saying that negotiations were continuing between the two countries regarding a resumption of supplies.

Iraqi crude is pumped to Turkey through a jointly-built pipeline which runs from the Kirkuk oil fields in northern Iraq to a Mediterranean terminal in south-east Turkey. Iraq provided about two-thirds of Turkey's 12m. tons of oil imports last year.

As of the end of December, Turkey owed Iraq \$234m. in unpaid oil bills, according to government officials. Payment on \$150m. of this debt was postponed to April by mutual agreement. A portion of the rest would be paid back in Turkish exports, particularly wheat, to Iraq and the remainder would be paid back in cash along with any new debts to be accrued from daily importation worth \$35m.

Turkey has been facing difficulties in meeting its import payments because of a severe foreign currency shortage and huge foreign trade deficit.

The oil supply problem has been further aggravated by a strike at oil-producing facilities of the Royal Dutch/Shell Group in Turkey.

Meanwhile, Mr. Bulent Ecevit, the Turkish Prime Minister, has decided to visit the USSR this year. AP-DJ

Governing formula put to Italian Christian Democrats

BY DOMINICK J. COYLE

ROME, Feb. 1.

DEPUTIES AND Senators of Italy's long-ruling Christian Democrat (DC) party had separate meetings here today to determine whether backbenchers would accept an outcome of the country's present political crisis which provided for the Communist Party (PCI) to join a parliamentary majority without securing actual Cabinet posts.

Such a governing formula, to which the Prime Minister-designate, Sig. Giulio Andreotti, is said to be attached, is unlikely to command wholehearted DC support, and a decision has already been made to call the party's central committee to a special meeting at the weekend, probably on Friday.

It remains unclear, too, whether the Communists would settle for such a compromise. The PCI leadership is still insisting publicly on the establishment of an emergency government that includes Communist ministers with the aim of developing industrial recession and the deteriorating law and order position. The DC has replied with a firm "No."

Many Christian Democrat backbenchers are known to be opposed to any further compromise with the Communists. The DC leadership may call a meeting of the party's National Council to consider the issue, even assuming that the principle of a "contracted majority" should be endorsed by the central committee at the weekend.

There is unlikely to be any material advance in efforts to form a new Government pending the outcome of the communist meeting.

Meanwhile there have been further outbreaks of serious violence in a number of Italian cities and towns, much of it ostensibly sparked off by a court decision to acquit some 100 members of the so-called "New Order" movement, who were accused of planning to reconstitute the outlawed Fascist Party.

The judgment, which followed a hearing lasting 10 months, has been attacked as "incredible," "astounding" and "scandalous" in most sections of the media here.

The authorities have now assigned police guards to the three judges involved in the case: the Rome prosecutor, Sig. Pietro Passolunghi, said that anonymous telephone calls, put up to come from the extreme Left, "Red Brigades" faction, claimed that "a series of attempts" would be made against the judges.

The Court said the dismissal of charges against many of those attempting to revive the Fascist Party was based on a lack of evidence. But charges against 10 of the original 118 accused left the court packed, pending the outcome of other trials in which they are involved.

New ceasefire offer by Basque guerillas

BY ROBERT GRAHAM

MADRID, Feb. 1.

THE MILITARY wing of the Basque separatist movement, the ETA, has made a renewed ceasefire offer in return for far-reaching concessions on sovereignty for the region. While there is nothing new in the demands, the timing of the offer has roused considerable interest.

The speculation is that, still only speculation, is that having launched a new campaign of violence last September, the hardliners within ETA are once again seeking to probe the Government on how far it is prepared to go in granting autonomy to the Basque region. The last known serious attempt at negotiations between the Government and ETA was last May, just before the elections. Since the beginning of January, the ETA military wing has claimed responsibility for the assassination of two senior officials, including the police chief of Pamplona, while three of its members have died as a result of police action.

The ceasefire offer was first circulated in the northern industrial town of Bilbao on Monday and apparently has already reached the Prime Minister's office. The specific demands, however, were made known only in the last few days.

The ceasefire is based on four key demands: one of its members in 1976, only removal of all security forces from the region and the subsequent legislation of local control of security, legislation of amnesty for all political parties, and recognition of national Basque autonomy. Perhaps its sovereignty for Euzkadi (the Basque name for the region), parties met on Monday in San Sebastian at the moment when the official language, and a radical new ETA military wing's improvement in the social and economic conditions of the region.

It was basically round these demands that the national UCD party of Sig. Adolfo Suarez and the Spanish Communist within ETA as to what policy to adopt. Some argued in favour of dialogue, but the demands

the military wing—not dissimilar to the separatist wing of the IRA—insisted that arms struggle was the sole guarantor of their demands being met.

Since then the Government has made creeping concessions, but made it clear that a fully sovereign Euzkadi only loosely tied to the Spanish state was unacceptable and wholly undemanding its policy of regional autonomy throughout Spain. The concessions began with a political amnesty and were then followed by the legalisation of two extreme Left-wing parties in September, 1976, and the legalisation of the Marxist party, ELA. Thus ETA, in all its insidious forms, is the sole political group not legalised.

Parallel with this, a provisional autonomy arrangement for the region was agreed at the end of December which fell far short of the hardliners' demands. It is questionable whether a sincere basis for dialogue between the Government and ETA, and its military wing, is possible. There is superficial evidence for a new internal dialogue within the separatist movement over tactics. For instance, two weeks ago the military wing denied elimination of minimal concessions. These are: one of its members in 1976, only removal of all security forces from the region and the subsequent legislation of local control of security, legislation of amnesty for all political parties, and recognition of national Basque autonomy. Perhaps its sovereignty for Euzkadi (the Basque name for the region), parties met on Monday in San Sebastian at the moment when the official language, and a radical new ETA military wing's improvement in the social and economic conditions of the region.

It was basically round these demands that the national UCD party of Sig. Adolfo Suarez and the Spanish Communist within ETA as to what policy to adopt. Some argued in favour of dialogue, but the demands

Lisbon coffee scandal fear

BY JIMMY BURNS

LISBON, Feb. 1.

LESS THAN a month after the arrest of Sr. Edmundo Pedro, a member of the Socialist Party, during police raids in connection with a suspected smuggling ring there is growing speculation here that 1977 compared with 1976, a recent leading Portuguese politician is involved with a major coffee importing company that stands accused of illegal profits of \$2m. a month.

As the new Government prepares to present its programme to Parliament, backed by once consumed without a thought assurances both by Prime Minister Soares and President Eanes that it has chances, and June, 1977, the price of success, the Portuguese man—coffee, increased by 149 per cent.

in-the-street is asking who has been responsible for making him pay as much for his daily cup of coffee.

Although food costs officially rose by about 32 per cent, a recent breakdown of essential commodities clearly revealed the heavy burden borne by wage earners, whose monthly take-home pay is \$150.

Coffee, which the Portuguese to consume without a thought assurances both by Prime Minister Soares and President Eanes that it has chances, and June, 1977, the price of success, the Portuguese man—coffee, increased by 149 per cent.

1,400 Olivetti TC800 terminals update a Canadian banking network. Banks know whom to trust.

The problem

To progressively update a banking data transmission network that spans a continent vaster than all of Europe — four thousand miles from coast to coast. In the process, to automate in real time the counter and back-office transactions of most of the bank's more than 1,700 branches.

The customer

Canadian Imperial Bank of Commerce is one of the world's largest banks with assets in excess of 30 billion dollars. In Canada it has the largest network of branches with representation in all ten provinces and the two northern territories. Several remote communities in the Arctic are served by aircraft while a shipboard service is available to communities along the St. Lawrence river.

The solution

To install intelligent banking terminals at most banking locations. The initial order calls for the installation of 1,400 Olivetti TC800's in branches in the provinces of Quebec and British Columbia and in the city of Ottawa, the country's capital.

The choice

The bank had excellent experience with an earlier generation of Olivetti banking terminals. To integrate into the bank's main on-line network the branches in which these earlier units had been installed and to expand the network to many other branches, the TC800 was chosen because of its intelligence and outstanding capabilities in large data processing and transmission networks.

Companies everywhere are choosing Olivetti systems

Here are the latest world-wide totals: 330,000 accounting machines; 140,000 data processing systems and personal mini-computers; 65,000 terminals and data collection units; 150,000 teleprinters and telecommunications units.

THE INTELLIGENT CHOICE IN DISTRIBUTED PROCESSING

olivetti

British Olivetti Ltd., 30 Berkeley Square, London W1X 6AH

SEKISU PREFAB HOMES, LTD.

Osaka

Adjustment of the Conversion Price of the 61% DM50,000,000 Convertible Bonds

By the resolution of the Board of Directors of December 15, 1977, Sekisui Prefab Homes, Ltd., makes a free distribution of shares of Common Stock to its shareholders of record on January 31, 1978, in the ratio of one new share for each ten shares held. Therefore, the conversion price of the 61% Convertible Bonds (Series 12/6/1977) will be adjusted pursuant to Section 6 of the Japanese Companies Act, effective February 1, 1978, from Yen 7,065.80 to Yen 878 for each share of Common Stock. Hence, Yen 878 principal amount of Convertible Bonds, transferred at Yen 122 for DM 1, are convertible into one share of Common Stock with a par value of Yen 50 per share.

Frankfurt am Main, in January 1978

On behalf of:

Sekisui Prefab Homes, Ltd.

Dresdner Bank

Aktiengesellschaft

EUROPEAN NEWS

Few real obstacles to EEC fish pact

BY MARGARET VAN HATTEN

CONTRARY TO appearances, the fact recognition of British rights strong enough to satisfy the U.K. is not far out of reach. This is a fact which Mr. John Silkin, the U.K. Agriculture and Fisheries Minister, codes and which Mr. Eric Gledhill, the Agriculture and Fisheries Commissioner, made at a news conference this morning.

Britain, as the only member unable to accept the Council resolution, must tell the others exactly what it wants and how it should be achieved, said Mr. Gledhill.

However, it might be more ardent advocate of a common policy.

But the Commission's revised proposals, presented just before Christmas, allocated Britain substantially more than it had been previously offered, a quota which Mr. Silkin has found "more or less acceptable." Since it is incorporated in the Commission proposals, the British quota is approved by the other eight.

Britain's two biggest single demands on conservation—the North Sea herring ban, and the

halt in industrial fishing in the Norway pout box, a large area north-east of Scotland—are incorporated in the Commission's proposed regime. So are most of its other conservation requirements, such as percentage restrictions on bycatches (fish other than the species sought) and minimum mesh sizes, some of them admittedly somewhat watered down.

Given the significant accommodations made on both sides over the past 16 months, an agreement does not seem to be far off. It could come within a few months. Talks had broken off before when Britain unilaterally introduced the North Sea herring ban for example, and will probably do so again. This seems to be part of living with Britain which the other eight member states grudgingly appear to be realising.

If Britain does not stand to gain a great deal more from a common fisheries policy, it probably does not have much to lose by resisting one. Mutters of retaliation in other areas do not yet seem to have much foundation.

But in terms of Community politics, the issue is potentially very damaging. Persistent refusal to accept that the Community exists would undoubtedly generate a great deal of bad feeling which the issues at stake do not appear to justify.

In the short term, the absence of a fisheries regime will cause inconvenience to other members, rather than real hardship. Funds allocated for the coastal patrol vessels of Ireland and Greenland will remain blocked, so will funds for restructuring the fishing industry. Negotiations with third countries can proceed, but agreements will probably be concluded up to the end of 1978.

BRUSSELS, Feb. 1.

But the industry feels that the EEC's failure to agree a common fisheries policy puts further obstacles in the way of third-country access agreements which it considers vital to the assurance of adequate processing fish supplies.

U.K. fish processors are severely disappointed at the failure of this week's negotiations, however. The Association of Frozen Food Producers said there was now little prospect of easing the country's fish supply situation. "We are back where we were 12 months ago," a spokesman said.

He confirmed, though, that the processing industry wanted to see a good deal for Britain's fishermen. "We would not have wanted Mr. Silkin to make a second-rate deal," he declared.

The industry feels that the EEC's failure to agree a common fisheries policy puts further obstacles in the way of third-country access agreements which it considers vital to the assurance of adequate processing fish supplies.

Silkin move cheers fishermen

BY RICHARD MOONEY

BRITISH FISHERMEN said yesterday they were relieved at the strong stand taken by Mr. Silkin. They had feared a "sell-out" but are now hoping that Britain will impose realistic, unilateral conservation measures in the absence of an EEC regime.

While recognising that the Minister's failure to agree probably will result in a continuation of the "free-for-all" pattern of fishing in European waters, they see possibilities of Britain establishing once and for all its commitment to the need for conservation.

The British Fishing Federation said the other eight community members had refused steadfastly even to consider realistic conservation measures but that the U.K. Government might now be able to impose measures.

These could be the further restriction of industrial (fish-meal) catches and the limiting of areas for industrial fishing; prohibition of fishmeal pro-

cessing at sea; a prohibition on the carrying of nets of different mesh sizes; raising of minimum mesh sizes and policing mesh-size regulations more strictly; limitations on the size of beam trawls and the activities of purse seine fishermen; and the designation of spawning areas with a view to banning fishing during relevant periods.

These measures could be applied throughout Britain's 200-mile limit, provided they did not discriminate against other EEC members, the Federation said.

A spokesman said the carrying of nets of more than one mesh-size was a practice that the Federation was particularly keen to see banned. This enabled foreign fishermen to practise the most blatant contravention of conservation measures. "There was no point in talking about fair shares in European fishing until adequate conservation measures were agreed."

The Federation agreed with

Mr. Silkin that the Eight had not moved to meet Britain's basic minimum needs and that proposals for "fishing plans" failed to give firm assurances on conservation.

U.K. fish processors are severely disappointed at the failure of this week's negotiations, however. The Association of Frozen Food Producers said there was now little prospect of easing the country's fish supply situation. "We are back where we were 12 months ago," a spokesman said.

He confirmed, though, that the processing industry wanted to see a good deal for Britain's fishermen. "We would not have wanted Mr. Silkin to make a second-rate deal," he declared.

The industry feels that the EEC's failure to agree a common fisheries policy puts further obstacles in the way of third-country access agreements which it considers vital to the assurance of adequate processing fish supplies.

Barre hits out at Mitterrand in poll row

By Robert Mauchin

PARIS, Feb. 1.

THE FRENCH general election campaign has suddenly come alive with a public quarrel between Mr. Raymond Barre, the Prime Minister, and Mr. Francois Mitterrand, the Socialist leader, over the constitutional deadlock that a victory of the Left might produce.

The spark which provoked the row was a statement by Mr. Mitterrand that the French Constitution did not provide adequately for the cohabitation of a president and parliament of different political hues, and that this could well lead to serious difficulties.

Though this problem has come up in all general and presidential elections since the revised Constitution was adopted in 1962 and has been one of the favourite subjects of political analysis for years, Mr. Barre immediately accused the Socialist leader of wanting to bring about a constitutional crisis.

Mr. Mitterrand, the Prime Minister, said, had at last shown himself in his true light. Mr. Barre said that the Socialist leader's statement was extremely serious because there were parties in France who were intent on undermining the country's institutions.

Mr. Mitterrand quickly riposted that he had nothing of the sort in mind. He had merely pointed out that there was a dangerous gap in the Constitution, but that if the President of the Republic behaved in a responsible way and respected the choice of the people in the parliamentary elections, there was no reason why the constitutional difficulty could not be overcome.

At the root of the whole problem lies the fact that both president and parliament are elected by universal suffrage and that, so far at least, the two elections have never coincided. Each can therefore justly claim that they embody the popular will.

But a president, though he has been given enormous powers by the Constitution, such as nominating the prime minister and dissolving parliament, still depends on the National Assembly to pass the legislation which his government has initiated.

President Valéry Giscard d'Estaing himself stated clearly in his "right choice" speech last week that if the Left won a parliamentary majority next March he could not prevent the implementation of the programme on which it had been elected.

Irish wealth tax abolished in expansive Budget

BY GILES MERRITT

DUBLIN, Feb. 1.

IRELAND'S three-year experiment with a wealth tax is to be abolished as part of the Finance Bill Government's stimulatory 1978 Budget.

Presenting a free-spending package of tax cuts, concessions and State aid designed to boost employment and investment, Mr. George Colley, the Finance Minister, said today that wealth tax cost Ireland jobs and investment and had been demoralising.

Mr. Colley told a packed Dail that abolishing the wealth tax introduced by the Cosgrave Coalition Government would cost only about £8m. this year.

"It is insignificant in comparison with the hundreds of millions of pounds of new job-directed expenditure allocations and the across-the-board tax concessions I am providing today."

As expected, Mr. Colley's Budget, which increased the State's indebtedness, pushing the Government borrowing requirement to 13 per cent of gross national product from just over 10 per cent in 1977.

But the range of tax concessions, which included increasing the married income tax allowance by £830 to £1,730 and giving direct aid to industry, was also designed as part of a calculated political Budget.

In an attempt to persuade trade unions to accept a 1978 wage pact giving increases of about 5 per cent, Mr. Colley spent over the tangible benefits contained in his Budget.

On top of a 10 per cent increase in social welfare spending, which will raise pensions and unemployment benefit, he said that, including Finance Bill's abolition of rates and road tax on all but large cars, the average family's disposable income would be increased by at least £9 to £10 a week by his measures.

The outline of the Budget had

already been made familiar by Flanna Fail's election manifesto last June, and was elaborated on earlier this month in an economic strategy White Paper.

But the extent of the Irish Government's measures to stimulate the private sector has come as something of a surprise.

Existing arrangements for free depreciation for new plant and machinery are to be streamlined, and will in future cover industrial buildings.

Reduced corporation taxes on manufacturing industry will depend on work-force increases by the company. Small companies will be encouraged to support by a package of tax measures.

Capital gains tax is to be modified to favour private investors "in preference to 'speculators,'" and capital acquisitions tax is to be eased.

Although Mr. Colley's Budget, with its decision not to take the traditional excise bite out of beer, spirits and tobacco, is being seen as a give-away Budget with something for everyone, Ireland's farmers were singled out for higher tax contributions.

There was loud heckling and jeering in the Dail when he announced that the multiplier would be raised from 65 to 80, thus increasing the farmers' total income-tax yield from £14m. to £24m. in 1978-79.

Mr. Colley emphasised that his Budget would be followed in 1978-80 by determined pruning of Government expenditure.

This year's £2,376m. package has entailed a borrowing requirement of £221m. But he said that today's package was designed to achieve a 7 per cent growth rate this year and sustain it through to 1980 at that annual level.

Men and Matters Page 20

German engineering pay threat

BY ADRIAN DICKS

THE RISK OF widespread industrial action in the West German engineering and metal fabricating sector increased significantly today, when regional union wage negotiations for 60,000 workers in North Westphalia/North Baden were blocked from their national executive for their judgment that a deadlock has arisen in their pay talks with employers.

After several rounds of talks, it became clear a few days ago that employers in the region were first to have begun serious wage bargaining, this year.

Financial Times published daily except Sundays and public holidays. Second class postage paid at New York, N.Y.

would not go beyond a 3.5 per cent increase. IG-Metall, the union representing 3.5m. workers in the metals and engineering industries, is demanding 8 per cent more.

This morning, 8,000 workers in North Westphalia/North Baden held token protest strikes, which have also been held in other parts of the country.

In Hamburg, however, union and management representatives agreed on a new wage settlement for the country's 20,000 dockers tonight after union members threw out a 6.47 per cent increase which the union's leaders had accepted.

The dockers will receive a lump sum of DM115 in addition

to a 7 per cent rise agreed last weekend and taking effect today. They originally demand a 9 per cent rise and staged a crippling five-day strike last week, the first in West Germany for more than 80 years.

In the third major problem area in industrial relations, the printers' union, IG-Druck, published its own proposal today for amending the "outline" deal with employers which ended a series of stoppages last month.

The union made clear that it wants permanent job security, following the introduction of computerised, cold-type printing technology, for men with skilled jobs under the existing hot-metal process.

OPEC backs Kuwait cuts

BONN, Feb. 1.

THE ORGANISATION of Petroleum Exporting Countries (OPEC) today approved recent moves by Kuwait to cut its oil prices in order to keep its share of the market, ending a year of squabbling over price shaving.

The approval by five member States meeting here meant that OPEC would permit Kuwait to underprice its heavier varieties of crude in relation to those of Saudi Arabia, Iran and Iraq, OPEC secretary-general Ali Jaidah, in announcing the decision of an OPEC sub-committee, said that Kuwait would be permitted to make further cuts in the future in light of its "special circumstances."

The statement said the Minis-

ters noted Kuwait's special circumstances and difficulties and its decision to take required measures.

Kuwait recently cut its heavy crude oil prices by 10 cents a barrel.

Sources close to OPEC said countries like Iran, which face decreasing exports to Western industrialised States, are concerned that the reductions would take away even more of their business.

Mr. Jaidah said OPEC was concerned at the effect of the falling dollar on oil prices. The five countries — Saudi Arabia, Kuwait, Iraq and Venezuela — did not discuss measures to combat the effect of the dollar's slide.

Agencies

Polish currency move

WARSAW, Feb. 1.

POLAND TO-DAY revalued its zloty by more than 50 per cent, for the benefit of Western businesses operating in this country.

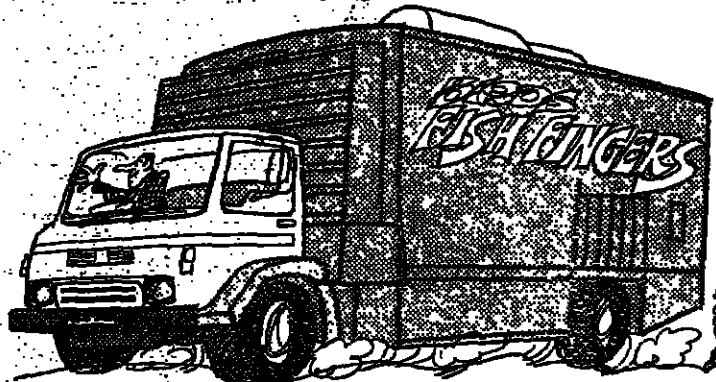
The new rate fixes the U.S. dollar at around 2135 instead of about 2120—the same as the Western tourist rate—and will give the businesses a saving on

local staff salaries, public utilities and other zloty expenses.

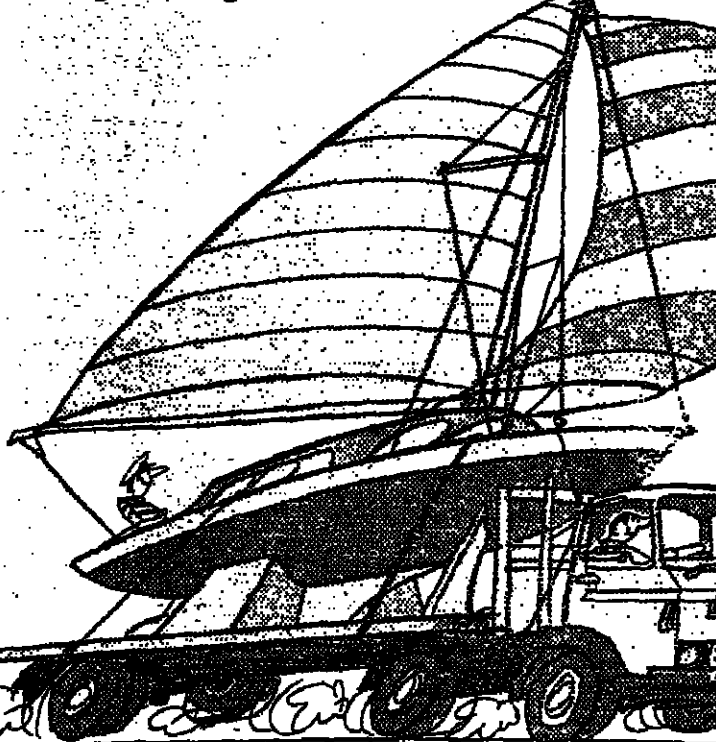
Western business and diplomatic sources here said one aim of the revaluation could be to attract more businesses to Poland, but they noted that there had been a dramatic increase in some residential and office rentals recently.

Reuter

FOR PROFITABLE OPERATIONS SEND IN THE DODGE COMMANDOS.



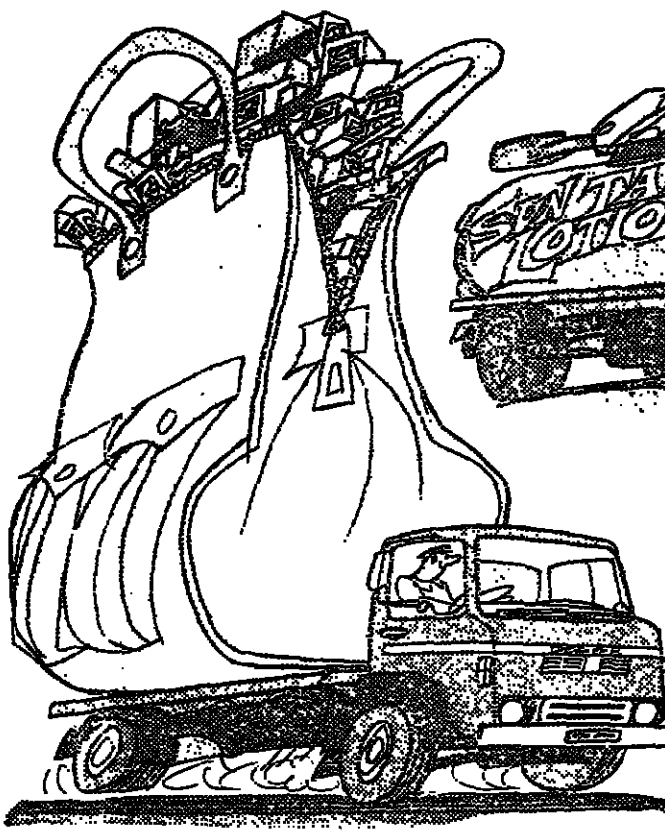
ARCTIC COMMANDO
There's a Commando for every kind of box van application from the G08 at 7.38 tons GVW through to the big G16 at 16 tons GVW.



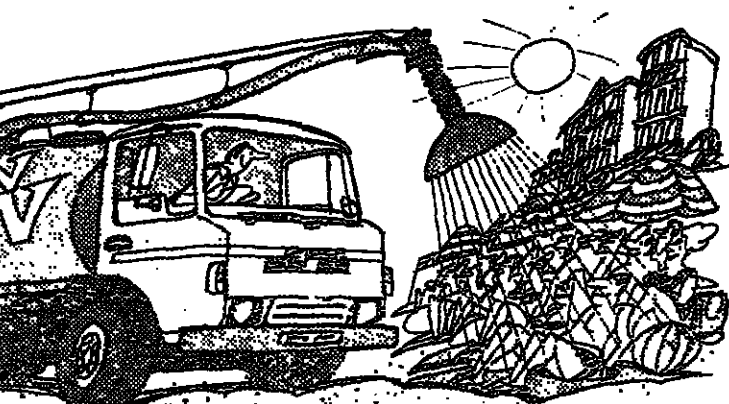
MARINE COMMANDO
Dodge now offer two superb Commando tractors: G18 at 18 tons GCW and new G20 at 19.68 tons GCW.



COMMANDO ASSAULT COURSE
For tippers and skip trucks, you need Commando strength, Commando power and Commando durability; choose from a wide range of proven s.w.b. models.



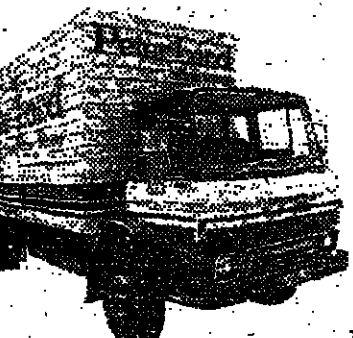
COMMANDO CARRIER
Get the right truck for your loads: Commando G13, G15 and G16 now offer a choice of six wheelbases, G11 offers five and G12 four.



COMMANDO BEACH-HEAD
The tough, durable, economical Commando range has the right truck for the job for municipal operators.



AIRBORNE COMMANDO
The down-to-earth Commando G08—specifically designed for operation at 7.38 tons—is the first choice for non-HGV work.



Getting a truck that's tailor-made for your work can radically transform your returns. When you operate Dodge Commandos, you can choose from over 500 variants off the production line. Add in major options, and the figure rises to over 4,000. In addition to this expert advice by our Special Equipment Operations department is available when talking bodywork.

Power choice comprises five diesels — Perkins 4.236, 6.354, 6.354.2 and T6.354 and Mercedes OM352 — and Chrysler petrol LA318.3.

Gearboxes are 4, 5 or 6 speed. Rear axles come in 40 ratios. All models offer at least three wheelbases, and some now as many as six.

Cabs can be Hi-line or Lo-line, and both provide advanced comfort and convenience for drivers.

The ten-model Commando range has it all. Modern design. Great dependability record. Driver popularity. Operator choice.

Add to this the protection you get from Chrysler Truck Care and it's no wonder Commando sales are surging ahead. See your Dodge dealer now.

The trucks you need are in the Commando range.

DODGEMANSHIP
Taking more care, to bring you better trucks and vans.



OVERSEAS NEWS

THE RHODESIA TALKS IN MALTA

The delegations narrow the gulf

BY MARTIN DICKSON

VALETTA, Feb. 1

BRITAIN, the U.S. and Rhodesia's Patriotic Front nationalist alliance to-day emerged from three days of talks in Malta, having found a basis for further discussions and somewhat narrowed the gulf that separates them on the terms for a Rhodesian settlement.

The discussions ended with the two sides still very far apart on the central issues under discussion—where power should lie in the transitional period leading to independence and who should control law and order.

Neither Dr. David Owen, the British Foreign Secretary nor Mr. Andy Young, the U.S. Ambassador to the UN, came to the talks with the co-leaders of the Front, Mr. Joshua Nkomo and Mr. Robert Mugabe with any degree of optimism.

Observers felt it was some achievement that the two sides had agreed to carry on talking at a date yet to be decided.

There appears to have been agreement in Malta on only two issues and then in the broadest possible terms. The first was that the UN should in the words of the Patriotic Front play "some role" in the transitional period.

But while Britain foresees the UN playing a major peacekeeping role, the Patriotic Front to-day insisted the "sole guarantor of the irreversibility of the transitional process shall be the liberation forces."

The Patriotic Front announced

Lord Carver, the British resident Commissioner-designate were in conclusive and would be the subject of further meetings.

Conference sources said Britain had come to Malta with its own ideas already prepared for such a body—a departure from

question of separate voting rolls.

It was widely believed here that agreement had been reached on separate voters rolls—at least for the first 10 years of "Zimbabwean independence." But at last Thursday's meeting, the Bishop surprised the other delegations when he said this was unacceptable to his United African National Council.

The conference is to meet again to-morrow to try and break this new deadlock.

No statement was issued after a two-and-a-half-hour meeting, but sources close to the talks said the Bishop was "digging in his heels" on the

at a news conference that the British Government had accepted its proposals that there should be a governing council during the transition to majority rule.

But discussions on the composition and powers of this body, as well as that of the powers of

Mr. Nkomo and Mr. Mugabe declined to say whether any of the parties to the internal settlement negotiations in Salisbury—the Rhodesian government and the three domestically based nationalist organisations—might participate in the council.

They made clear that they were still insisting on a central role in the transitional period being played by the Patriotic Front.

Mr. Mugabe said they foresaw a kind of partnership with Britain—the Front playing a substantial role and the U.K. a supervisory role.

With separate internal settlement discussions taking place in Salisbury, the two sides in Malta do have a vested interest in trying to reduce their differences, or at least present the appearance of doing so.

But Dr. Owen denied that the Malta talks were designed to sabotage internal discussions. At the same time, he did not think Britain and the U.S. could lead their authority and influence "to solutions that will continue the violence—at least while there is any chance of a peaceful settlement."

The Anglo-American proposals published last year.

But the sources indicated that Britain saw it being largely an advisory body to Lord Carver, with limited legislative powers and incorporating all the nationalist movements.

Ethiopia criticises Britain and U.S.

BY JOHN WORRALL

NAIROBI, Feb. 1

THE ETHIOPIAN government has handed strongly worded protest notes to the embassies of the U.S., U.K., France, West Germany, Italy, Saudi Arabia and Iran, according to Addis Ababa Radio. The notes were identical and accused these countries of openly siding with, and "providing diplomatic and military assistance to the enemies of Ethiopia."

Before the notes were delivered according to Addis Ababa radio, they were "approved" on January 30 by a crowd of 300,000 inhabitants of Addis Ababa, to whom they were read by the Ethiopian leader Colonel Mengistu Haile Mariam.

Meanwhile the first indication from Ethiopia of fierce fighting round the walled city of Harar came to-day from a spokesman of the National Security Council in a statement broadcast by the radio.

He claimed that Somali armed forces suffered a heavy defeat when they attempted to invade Harar last week and were driven back with heavy losses. He said the Somalis abandoned large quantities of arms, trucks, and heavy artillery, which were now in Ethiopian hands. Somali soldiers were also captured.

Reuter adds: Somali forces "completely demolished" a town in eastern Ethiopia during a major battle fought there recently, the official Ethiopian News Agency (ENA) said in a dispatch received here to-day.

The agency, in its first report on the battle, said the Somalis were thrown back by Ethiopian forces but fighting was continuing.

The agency did not name the destroyed town nor give the date of the battle. But on January 28, Mogadishu radio said Somali forces had taken the Ogaden town of Babilie the day before.

Meanwhile Ethiopia's charge d'affaires at the UN to-day rejected any possibility of a cease-fire in the Horn of Africa while any part of his country was subject to "Somalia's aggression."

ON OTHER PAGES

International Company News:
Elf-Aquitaine crisis
Carter Hawley bid terms 26/27/28
Farming and Raw Materials:
Brazil coffee policy doubts ... 33

Few return to Soweto schools

BY OUR OWN CORRESPONDENT

CAPE TOWN, Feb. 1

ONLY A trickle of pupils returned to school to-day in Soweto, and a crowd burned application forms in protest.

Elsewhere in South Africa, black schools were reportedly better attended on the first day of the new school year, following almost two years of boycotts.

Only 13 secondary schools out of 40 reopened in Soweto. In spite of the claim by education officials that "thousands" of pupils had registered, only handfuls turned up for classes.

Few teachers appeared. 200 of the 500 who resigned last year have withdrawn their resignations.

In the other key area of student protest, the township surrounding the motor industry centre of Port Elizabeth, officials estimated the turnout at around 40 per cent after a student representative council

meeting had urged pupils to go back.

However there were four reported arson attempts at schools last night, and at two primary schools children were ordered out of their classes today by their students.

In Cape Town, there was generally good attendance reported, although officials said they could not give a figure for several days.

Observers believe that many of the students are waiting to see what happens in Soweto, where any renewed confrontation between children and the police could restart a wave of nationwide protests.

Mr. J. Roussouw, the Secretary of the Department of Bantu Education, to-day issued figures that less than 20 per cent of black students failed to sit for their exams last year. However, the

Department has agreed not to publish names of successful students, because it might endanger their lives.

Dr. Andries Treurnicht, Deputy Minister of Bantu Education, claimed in Parliament to-day that Black education in South Africa was "as good as it could be."

He suggested there was a "master mind behind" "intimidators" who persuaded pupils to stay away from school.

Speaking in the opening debate of the Parliamentary session, Dr. Treurnicht said his department planned to involve homeland governments, more in education in urban areas, and to create a new Department of Black Education, as Minister of Bantu Administration, announced that he would institute a five-year plan to meet the major grievances of urban blacks in South Africa.

Blacks aim at white parity

BY QUENTIN PEEL IN JOHANNESBURG

LAST WEEK, Mr. John Vorster, South Africa's Prime Minister, announced that the word "Bantu" was to be dropped from the titles of Government ministries controlling black affairs in South Africa.

It was his first positive response to the black unrest which erupted 18 months ago in Soweto, which started with a protest by school children and which subsequently produced a virtual state of anarchy in dozens of black township schools throughout the country.

Events in black urban areas are no longer predictable, following the countryside security clamp down ordered last October, but it seems highly unlikely that Mr. Vorster's move will have any material effect on the numbers of black pupils who stay away from the secondary schools that open to-day for the first time for months.

The children are demanding much more than cosmetic changes, and if they do go back it will be more out of frustration at the lack of real change by the Government.

The most coherent statement of the student demands was issued by the Cape Town students at the height of the schools boycott there last year. They demanded a long-term comprehensive plan of overall improvement in Bantu education, though they recognised a separation of the immediate aim—to ensure that those who are capable and want to learn are given every possible help to complete full training (though a policy of use of teaching a Bantu and prior education (which) will feed back properly trained teachers into the schools—and the ultimate aim, which was the free compulsory education for all.

The disparity between black and white education in South Africa is so immense that black students are understandably cynical about any argument that they are getting or can get a fair deal through minor adjustments.

Education itself (its proposed new name is the Department of Education and Training, not to be confused with the (white) Department of National Education) is a strange mixture of dedicated educationalists and equally dedicated exponents of the traditional National Party view of Bantu education, Minister, Dr. Hendrik Verwoerd, in the statement: "What is the use of teaching a Bantu child mathematics when he cannot use it in practice?"

One of the leading educationalists is Mr. Jaap Strydom, who was seconded to Johannesburg to sort out Soweto's school rebellion. He maintains the Verwoerdian view has been presented as such "They want to keep it under the carpet when they should be showing it from the rooftops," according to one. But even if the value of their reforms is accepted, the problem remains. For ultimately the battle of black education in South Africa is still an ideological battle between the proponents of white child, and £10.60 on each

black, while in 1975 the figures were £402.50 and £26.25—a widening of the gap from 7.5:1 to 16:1.

Dr. Franz Schimmler, a Johannesburg educationalist and list of what we want, and we get it. There is no ceiling." The difference in per capita spending reflects the salary differentials between teachers in black and white schools. This, he says, is not simply a result of discrimination, but for black teachers and so much less well qualified. His response has been to launch a crash programme of teacher training.

Although he admits that Soweto is something of an exception, and actually has a much better teacher-pupil ratio than other areas, Mr. Strydom argues that it is setting the pace for the department as a whole. Insistence that certain subjects should be learned in Afrikaans—the spark that led to the first Soweto riots—has quickly dropped away. All secondary schools can now choose their medium of instruction. Since they were taken over by the state last year, Soweto secondary schools will now be divided not on tribal lines, which the students have opposed, but according to courses—technical, commercial, science and general.

The Bantu education budget, the Government argues, has increased in the past year more than any other Government department, including defence. But the figures are deceptive, for allocations previously included under other heads seem to show a 50 per cent real rise, whereas in fact the actual increase was 21 per cent.

The educationalists complain bitterly that the reforms they have introduced have not been presented as such "They want to keep it under the carpet when they should be showing it from the rooftops," according to one. But even if the value of their reforms is accepted, the problem remains. For ultimately the battle of black education in South Africa is still an ideological battle between the proponents of white child, and £10.60 on each

scraping of Bantu education is

Peking will not act as mediator in Indo-China

By a Special Correspondent

CHINA HAS indicated that it will not act as mediator in the present border conflict between neighbouring Cambodia and Vietnam.

Mr. Huang Hua, the Chinese Foreign Minister, told visiting Canadian Foreign Minister, Mr. Donald Jamieson, that China favours direct negotiations between the warring parties following a withdrawal of forces.

Mr. Huang said China did not rule out the possibility of United Nations intervention.

At a Press briefing last night Mr. Jamieson said the Chinese foreign minister had assured him that China was not a major participant in the dispute and was in no sense urging the Cambodians on.

Mr. Jamieson said the Chinese were clearly concerned at the prospect of the fighting escalating. They do not relish the prospect of a potential serious disturbance in South East Asia, he said.

● Vietnam yesterday accused Cambodia of making renewed attacks along their common border and said there had been many civilian casualties.

Southwest Morning Herald

Egypt dismayed at Israel offer

BY ROGER MATTHEWS

CAIRO, Feb. 1

THE resumed military talks between Egypt and Israel took place here to-day in what was described as a businesslike atmosphere, on the eve of the meeting in Algiers of Arab leaders opposed to President Sadat's peace initiative.

Both sides tried to refine their positions on some of the less immediately contentious issues. In keeping with the mood engendered by the failure a fortnight ago of the Jerusalem political committee, officials are anxious not to provide any details or to give any indication of whether progress is being made.

When the talks adjourned later, a joint communiqué said simply that both sides had discussed "basic subjects on the committee's agenda. No date was fixed for the next meeting."

The same reserve surrounds the visit here of Mr. Alfred Atherton, the U.S. Assistant Secretary of State, who this morning held another session of talks with Mr. Mohammed Kamel, Egypt's Foreign Minister, before going on to see President Anwar Sadat.

Mr. Atherton confined himself to the bland comment "that there are still difficulties to be overcome and that is the purpose

of the negotiating process which we are trying to help out."

But it is understood that there was little in the Israeli proposals that Mr. Atherton brought with him to suggest that an agreement on a broad declaration of principles was near. Mr. Kamel is believed to have been less than enthusiastic about the Israeli position.

More alarming is the growing feeling that President Carter will have little new to offer Mr. Sadat when they go to Camp David.

Syria has given Palestinian guerrillas permission to re-open bases on its territory, according to well-informed sources to-night, Reuter reports.

David this weekend. The American emphasis continues to be on assisting the two sides come closer together without offering that which Mr. Sadat believes is vital—the exercise of considerable pressure on the Israelis.

Mr. Sadat gave the first clear hint of Egyptian irritation at what is seen as the essentially passive role of the Americans when he spoke to a visiting group of Jews and Christians yesterday. While stressing appreciation of

U.S. friendship, Mr. Sadat suggested that his people were beginning to question why Washington was not taking a firmer line on Israeli attitudes.

He said he had also instructed General Gamassy, the War Minister, to reach agreement with Mr. Ezer Weizman, the Israeli Defence Minister, in their current talks—but not at the expense of Egyptian land and sovereignty.

David Lennon reports from Tel Aviv: Israel will continue to establish settlements on the West Bank, and has not promised to stop this activity. Mr. Moshe Dayan, the Foreign Minister said to-day.

President Carter said on Monday that he had understood from talks with Mr. Dayan and the Prime Minister, Mr. Menachem Begin, that Israel would authorise no new settlements in the occupied West Bank.

Mr. Dayan told the Knesset to-day that this was not the case. The Minister said all he had promised was that for a few months while intensive peace negotiations were in progress Israel would carry out new settlement projects within the framework of military camps.

SOME OF THE TOUGHEST MARKETS CAN BE THE MOST REWARDING.

Semiconductors to the U.S. electronics industry, inertial navigation systems for Japanese aircraft, integrated circuits to operate German cameras, computers to control production processes in the USSR.

These are some Ferranti successes in markets usually considered particularly tough for outsiders to enter.

How is this achieved?

We have a Ferranti philosophy: to be inventive in the laboratory, aggressive in the market place, profitable on the balance sheet.

How are we supporting this philosophy practically?

For the next five years we have set ourselves constructive yet realistic goals: a consistently high level of largely self-financed new investment, the creation of a substantial number of new jobs, and the achievement of a sufficient return on capital to generate the necessary funds for our plans.

From this firm base we can look forward to continuing success in selling our high technology in the world's most difficult markets.

FERRANTI
Selling technology

Ferranti Limited, Hollinwood, Lancashire OL9 7JS

As the Shah visits the subcontinent, K. K. Sharma reports from New Delhi, on a key issue

Asian co-operation surfaces once more

THE SHAH of Iran's conception of an Asian Common Market is something like the proposal for regional economic cooperation that was first made four-day visit to India to-day. It is currently a matter of controversy in India and in Pakistan, which the Shah will also visit briefly. Neither India nor Pakistan wholly support his view, but they cannot openly dismiss a proposal emanating from someone handing out largesse in the sort of quantities they need.

The Shah is known to have long favoured the formation of an Asian Commonwealth Market stretching from Iran in the west to Bangladesh in the east—and conveniently keeping out both the Arabs and South East Asia's socialists. Obviously this would make Iran, with its petrodollar wealth, the dominant partner.

India's policymakers do not mind this, as Iranian investment is greatly coveted. But they see major political hurdles in the way, largely because relations between India and Pakistan remain cool and because of the diversity of the various countries' political structures.

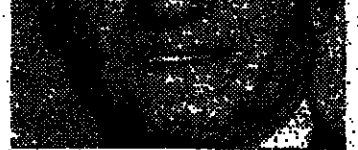
The Shah, who knows these arguments, is also aware of the uneven economic development which makes these countries, and particularly the smaller among them, suspicious of each other and of India and Iran. It therefore came as something of a surprise when Mr. Morarji Desai, the Indian Prime Minister, was told by an Iranian parliamentary delegation last November that the Shah had asked for his proposal to be conveyed to him at once.

Just a few days ago, Mr. Atal Behari Vajpayee, the Indian External Affairs Minister, made two speeches in which he referred to the desirability of Asian regional cooperation. Significantly, he took it far beyond anything that the Shah can accept. He said: "What I anticipate and earnestly hope for is an enlarged concept of mutual interdependence extending from Iran to the Indo-Pakistan peninsula which would permit uninterrupted interchange of commerce, economic and cultural cooperation and ideas, for trade with Iran and Afghanistan."

It is unlikely to be acceptable to him. Yet by offering a wider grouping, he cannot really reject it. This means that when the idea is raised later this week, it will probably be so watered down as to become just another proposal for Asian regional co-operation that has done nothing to lower the tariff barriers Asians have raised against each other.

Pakistan seems even more reluctant to accept the Shah's proposal. Mr. Vajpayee will visit Islamabad next week to make the first Indian ministerial contacts with Pakistan in 11 years, and fears have been expressed by the Zia Government and the local Press that India will seek transit rights through Pakistan to reach Iran and Afghanistan.

This apprehension reached such proportions that what is essentially a goodwill visit seemed threatened before it was started. The Indian Government



The Shah of Iran

did some quick salvage operations by officially communicating to Pakistan that Mr. Vajpayee is not making his visit just to seek transit rights.

Yet this is bound to be raised, especially as the Shah is anxious that an overland route be established between India and Iran. Trade and economic relations between the two countries are increasing rapidly, and among the tangible results of the Shah's visit will be greater participation by India in Iran's development programme and vice-versa.

It is known that the main thrust of the Iranian monarch's approach to bilateral co-operation, emphasises investment. Among projects to be finalised are an alumina plant, a giant paper and paper plant, the use of the Rajasthan desert for Iran's food needs and the laying of railway lines in Iran by Indian Railways.

Iran's congested ports cannot cope with the vastly increased volume of cargo that will result and the overland route would be the ideal solution.

Pakistan has resisted use of its road and rail communication for transit on the grounds that they are hardly adequate for its own purposes. Exceptions were made for just two crucial shipments last year at the Shah's personal request, and the Pakistan Government has let it be known that billions of dollars, spent over a period of years, would be needed to make the overland route from India to Iran possible.

But the way of Asian regional economic co-operation, in whatever form it takes, is pointed. Mutual suspicions will not assist progress, and there are aggravated by strained Pakistan-African relations, the inability to establish meaningful contacts with Arab and Asian members, and temporary over-reliance with Arab nations, enriching each other with their national assets, economic, scientific and technological achievements.

This apprehension reached such proportions that what is essentially a goodwill visit seemed threatened before it was started. The Indian Government

AMERICAN NEWS

U.S.-U.K. air landing system dispute intensifies

BY DAVID BELL

THE U.S.-U.K. dispute about a new all-weather landing system for aircraft intensified today as the House subcommittee investigating the difference between the U.S. and British microwave landing systems in its evidence to the International Civil Aviation Organisation (ICAO), which must decide between the rival systems in April, when choosing a system to be used globally.

The FAA administrator said, however, that the FAA's financial state in the aftermath of the 1976-77 fiscal year, which makes it very difficult to understand why their interests "concentrate not only at the U.S. landing time reference system, but also at the integrity of our research development and

New talks on miners' stoppage

By John Wyles

NEW YORK, Feb. 1. — The U.K. has taken a major initiative to launch progress towards international disarmament by tabling at the UN a detailed action programme to curb the build-up of nuclear and conventional weapons.

The British plan calls for assurance by nuclear powers that non-nuclear states will not be subjected to nuclear attack; the creation of regional nuclear-free zones; conventions banning chemical and biological weapons and steps to restrict the conventional arms race, particularly in developing countries.

The U.K. move follows last week's announcement of a series of new French disarmament proposals which included suggestions for the reform of existing negotiating bodies and the creation of an international system to control arms by satellite.

New bid at UN to revive progress on disarmament

BY REGINALD DALE

THE U.K. has taken a major initiative to launch progress towards international disarmament by tabling at the UN a detailed action programme to curb the build-up of nuclear and conventional weapons.

The British plan calls for assurance by nuclear powers that non-nuclear states will not be subjected to nuclear attack; the creation of regional nuclear-free zones; conventions banning chemical and biological weapons and steps to restrict the conventional arms race, particularly in developing countries.

The U.K. move follows last week's announcement of a series of new French disarmament proposals which included suggestions for the reform of existing negotiating bodies and the creation of an international system to control arms by satellite.

Nicaragua strike spreads

By Alan Riding

MANAGUA, Feb. 1. — DESPITE Government claims that the ten-day-old national strike in Nicaragua is beginning to collapse, business and labour groups today continued joining the protest movement against President Anastasio Somoza.

In the past 24 hours, petrol distributors, hospital workers and even economists in the Central Bank have joined the strike, which was called to press for a more thorough investigation into the murder of an opposition leader last month, but is now aimed at forcing the resignation of Gen. Somoza. His family has ruled Nicaragua since 1933.

Record gold auction price

BY OUR OWN CORRESPONDENT

WASHINGTON, Feb. 1. — THE INTERNATIONAL Money Market today announced that the demand for the metal is now at its highest level since the record price of \$176 per ounce was set in 1976.

The Fund said that a total of 24,800 oz was sold and that successful bids ranged from \$176 to \$181.25. The average of these bids was \$176.35, which compares with the London closing price of \$176.10 on the day.

Carter fixes arms sales ceiling

BY OUR OWN CORRESPONDENT

WASHINGTON, Feb. 1. — PRESIDENT Carter announced today that the U.S. has set a ceiling of \$8.8bn on the value of weapons exports which it will allow in the fiscal year beginning in October.

On the face of it this amounts to an 8 per cent cut in weapons sales from the level of the current fiscal year, but so complicated are the figures and the categories into which various projects are divided that it was not immediately clear how much of a real reduction the new ceiling indicates.

Carter fixes arms sales ceiling

BY OUR OWN CORRESPONDENT

WASHINGTON, Feb. 1. — PRESIDENT Carter announced today that the U.S. has set a ceiling of \$8.8bn on the value of weapons exports which it will allow in the fiscal year beginning in October.

On the face of it this amounts to an 8 per cent cut in weapons sales from the level of the current fiscal year, but so complicated are the figures and the categories into which various projects are divided that it was not immediately clear how much of a real reduction the new ceiling indicates.

Trinidad leader holds the key

BY DAVID BENWICK IN PORT OF SPAIN

THE COUNCIL of Ministers of the Caribbean Community and Common Market (CARICOM) is scheduled to meet in Georgetown, Guyana, this month to consider how to resuscitate the near-moribund regional economic association.

The task is not an enviable one for CARICOM relations have sunk to such a low level that there are widespread and grave doubts whether the movement can ever again recapture its earlier co-operative momentum.

DO YOU EVER WISH YOU COULD DO THIS WITH YOUR CAR?

Next time you're flying, and you want a car when you arrive, rent one from Godfrey Davis. It's the next best thing to taking your own car on the plane with you. We have desks at every major UK airport, so you can drive straight off from wherever you land. And we have the widest rent-it-here, leave-it-there network in the country, so you can leave the car wherever it suits you. You'll find us at Inter-City stations and in town and city centres all over the UK. No other car gives you quite such flexibility. Not even your own.



AT ALL MAJOR AIRPORTS

Godfrey Davis are the official car rental contractors for British Airways Inter-Britain flights. Shuttle passengers don't need to book in advance - a Godfrey Davis car is guaranteed on arrival.

ABERDEEN (0224) 723404
BELFAST (0284) 52123/4
BIRMINGHAM (021) 743 4461/2
BOURNEMOUTH (0202) 764078 & 765693
BRISTOL (0272) 2111
DUNDEE (0382) 21281
EAST MIDLANDS (0602) 861871
EDINBURGH 031-333 2588
EXETER (0392) 75398/9
GATWICK (0293) 31062/3/4
CARDIFF (0222) 45448/9
GLASGOW 041-889 8359/8350
GUILDFORD (0481) 37638/9

HEATHROW 01-897 0811/5
INVERNESS (0463) 34886/35337
JERSEY (0534) 44715
LEEDS AND BRADFORD (0274) 33048/9
LIVERPOOL 051-708 9150/9152
LUTON (0582) 593636/7 & 31133
MANCHESTER 061-437 6161 & 061-489 3229
NEWCASTLE UPON TYNE (0632) 32120/32129/610772
PRESTWICK (0292) 70566/7
SOUTHAMPTON (0703) 22035/6 & 29077/8
SOUTHEND-ON-SEA (0702) 351351/48222
STANSTED (0274) 812727
TEESSIDE (0325) 60771/67581

No one-way rental to and from the UK mainland. Served by local office.

RESERVATIONS UK & WORLDWIDE
LONDON 01-828 7700
BRISTOL (0272) 294570 BIRMINGHAM 021-780 2414
MANCHESTER 061-437 0635 GLASGOW 041-423 5358
SOUTHAMPTON (0703) 22632
Or call your Travel Agent

Choose from a wide range of Ford and other makes. Unlimited mileage rates for all rentals of 3 days or more. International network covering 41 countries.

Godfrey Davis
Britain's biggest car rental company

Regional trade

Although no official figures are available for 1977 as a whole, it is clear from returns for the first three quarters of 1977 that the regional trade fell in absolute terms last year—the first time this has happened since CARICOM's predecessor, CARIFTA, began in 1974.

The regional trade, however, well known for its internal economic difficulties, experienced by sources and pronounced the CARICOM's predicament. CARIFTA's position of local entrepreneurs and workers by the time of the 19th annual conference of his People's National Movement (PNM) party.

Prime Minister again returned to the "break-up of the Caribbean integration movement for which such a long struggle has taken place."

He declared that Trinidad and Tobago's attempts to promote regional integration had "failed" and that the obvious facts of life in the Caribbean "by proceeding to make new economic alliances with non-English-speaking countries such as Brazil and Colombia."

The Government would also seek markets in developed countries such as the U.S. Japan and the EEC, for the new capital-intensive, energy-based industries shortly to come on stream.

A careful study of Dr. Williams' address to the party convention seems to suggest that, though his Government is understandably irritated over what the trade restrictions in Jamaica and Guyana have done to Trinidad's exports, the real rift between himself and his colleagues centres on the role that Venezuela has been encouraged to play in regional affairs.

Rightly or wrongly, the Trinidad and Tobago Prime Minister has never trusted the intentions of Venezuela towards the English-speaking Caribbean. Three years ago, he went so far as to accuse Caracas of "neo-colonialism."

Distinct bloc

Dr. Williams' view is that the "Caribbean" as historically understood, consists of the island nations in the Antillean archipelago, within which the English territories form a distinct bloc. He apparently sees nothing contradictory about including Guyana, a mainland territory, in this definition, nor in establishing economic relationships with the highest level, among regional heads of government, could perhaps help smooth away some misunderstandings and at least give a better Latin neighbour, at arm's length, the chance of collecting itself. But so party convention that a major contributor to the disagreements far Dr. Williams has declined within CARICOM was "the constant all of his colleagues for such a conference."

The latest appeal for a meeting came from Mr. Forbes with the Caribbean.

WORLD TRADE NEWS

Kuwait to sign major gas deals

KUWAIT, Feb. 1. KUWAIT will sign contracts later this month for the sale of all the output from its new \$1bn. gas liquefaction plant which is due to become operational next year, the Oil Ministry Under-Secretary, Mr. Mahmoud al-Adasani said.

He said in a statement 20 major companies have agreed to buy the gas under 10-year contracts to be signed on February 15.

They include Royal Dutch Shell, several U.S. companies including Gulf Oil, Phillips Petroleum and Continental Oil and Japanese companies including Bridgestone Tire, Idemitsu Kosan, Maruzen Oil, Mitsubishi Oil and Marubeni.

The plant is due to produce 3.15m. tonnes a year of butane and propane when it is completed in 1979, and will start production in September 1978. Propane will account for 60 per cent of output. The statement said Kuwait's total liquefied gas production will reach 4.5m. tonnes a year, worth about \$550m., when the plant is operational.

Reuter

Power station order

Reuter reports from Essen.

ISRAELI ORANGES SCARE

Serious threat to exports

BY L. DANIEL

TEL AVIV, Feb. 1.

THE ISRAELI Citrus Marketing Board is considering the possibility of temporarily suspending shipments of citrus — Israel's main agricultural export item — following reports of alleged sabotage of oranges shipped to Western Europe. Mercury contamination has been found in Israeli oranges in Holland and West Germany where the cases are being investigated by the authorities.

The Marketing Board and the Ministry of Agriculture have strongly denied the claim by the Palestinian body, calling itself the Arab Revolutionary Army-Palestine Command, that the sabotage had been carried out in Israel by Arab workers employed in groves and packing houses.

If this were true, they claim the fruit would have arrived at its destination. Due to the concentration of the 18 cases in one particular area (and some suspected cases in a German town), it is argued that the sabotage was carried out either in the supermarkets themselves or on the way from distribution centres to the stores.

Ministry of Agriculture officials said this afternoon that it would be possible to take security measures which would prevent a recurrence. Even if the incidents in Holland and South Germany prove to be isolated ones there can be no doubt that they will have a very serious effect on overseas sales of Israeli citrus. There are no alternative outlets.

Home market demand is relatively inelastic while industry, which could take additional fruit for processing and which hitherto used mainly culls, pays prices which do not cover production costs, let alone the total investment. This is very heavy since it takes about seven years till citrus growths reach the full fruit bearing stage.

Outlets

The season started in the second half of September. Picking of the Shamouti variety of orange is currently in full swing and will be followed in the early spring by oranges of the Valencia type. The Citrus Marketing Board plans for the 1977/78 shipment season called for the export of 43m. cases of which 40 per cent, had been shipped so far (though not all of this quantity has as yet reached the wholesale or retail outlets). The expected foreign currency yield was put earlier in the season at \$200m.

Citrus represents Israel's main agricultural export and accounts for about 67 per cent of the country's total exports and around 23 per cent of total Israel exports about 1m. tons of citrus valued at \$180m. of which 70 per cent were oranges. Other citrus fruit shipped abroad, almost entirely to Europe, included grapefruit and lemons. These figures covered only citrus grown within

Israel's pre-1967 war borders. Close to 90 per cent of the fruit goes to European markets with Britain the leading outlet. It is for this reason that Israel recently remonstrated against the raising of the tariff on Israeli citrus by former EFTA countries so as to bring them into line with the tariff prevailing among the original EEC members even though it had been understood, when Israel concluded its agreement with the Common Market, that tariffs would not be higher than they were then.

Israel is the biggest single source of oranges sold in the U.K. Last year imports from Israel of oranges, tangerines, mandarins and clementines amounted to £21.1m. of total U.K. imports of these items of £70.9m. and total U.K. imports from Israel of all products of £199m. Next main sources are Spain and South Africa, imports from each totalling £16.8m., then Cyprus (£8m.), U.S. (£5m.) and Morocco (£2m.). Israel is also the largest single source of other citrus products imported into the U.K. (grapefruit, etc.) accounting for £7.4m. of total imports in this category of £25m.

Apart from Scandinavia, Britain and Western Europe, small quantities of oranges are sent to North America, a limited amount of grapefruit to Japan (an outlet which was opened up three years ago) and oranges, lemons and grapefruit to a few other limited SE Asian markets.

Flakt wins \$20m. air plant orders

By John Walker

STOCKHOLM, Feb. 1.

THREE LARGE orders for air pollution control equipment — one in the U.S. and two in Canada — have been won by Svenska Fläkt, the Swedish industrial and air pollution-control group. The orders are valued together at about \$20m. (21m.).

The Ohio Valley Electric Corporation (Ovec) has ordered from Fläkt's American company five electrostatic precipitators for installation in the five 215MW boilers at Ovec's Kyger Creek power station near Gallipolis, Ohio. The five precipitators have a combined value of about \$5.9m. and are scheduled for installation during the autumn of 1978.

The two Canadian orders received by Fläkt's Canadian subsidiary consist of electrostatic precipitators for Unit Six at the Calgary Power Company's power station in Sundance and for Unit Five at the Alberta Power Company's power station at Battle River, both in the province of Alberta.

The two Canadian orders are valued together at about \$5.1m. Fläkt already has delivered precipitators for Unit One to Five at the Sundance station and One to Four at Battle River.

Yugoslav trade gap widens to \$4.38bn.

By A. Lebi

BELGRADE, Feb. 1.

YUGOSLAV foreign trade figures for 1977 are disappointing. Exports were 8 per cent up by value but down by volume as prices increased 13 per cent. On the other hand imports were 31 per cent higher by value with the same price increase as exports. Exports totalling \$5.25bn. and imports of \$9.63bn. resulted in a \$4.38bn. trade deficit, compared to one of \$2.49bn. in 1976.

As invisible earnings are not expected to change much from 1976 when they netted some \$2.24bn., the balance of payments gap (which will not be known for some time) is going to be quite substantial. In 1976 there was a small surplus of about \$150m.

This, however, will not be reflected in foreign exchange reserves which by the end of 1977 amounted to roughly \$2.8bn., slightly more than 12 months earlier due to extensive borrowing abroad.

Of the \$4.38bn. trade gap \$3.38bn. was with the developed countries, and within that group the bulk of it was with the EEC. This is the reason why the Yugoslavians have been reproaching the Community for not showing enough good will, except verbally, in helping them to achieve a more balanced trade.

Yugoslav planners hope to partially redress the situation this year.

ASEA extends project in U.S.

By Our Stockholm Correspondent

ASEA, the Swedish heavy electrical engineering group, has signed a new agreement with the American Electric Power Company (AEP), the largest U.S. investor-owned utility, extending their joint ultra-high-voltage (UHV) development project for electric power transmission at voltages between 1,500 and 2,000 KV.

The new agreement covers a period of five years to the end of 1983, and the final choice of system voltages will be made during this period. AEP will build a prototype gas-insulated sub-station and a shunt reactor, and test these with service voltages of up to 1,800 KV.

The decision by the Chinese to accept the invitations appears

Swedish backlash against U.K. and EEC paper policy

BY WILLIAM DUFFLORCE

STOCKHOLM, Feb. 1.

THE SWEDISH Pulp and Paper Association is angry about the British Government's refusal to raise the duty-free quotas for imports of paper and board from Sweden in 1978.

It also protests against the demand by the EEC paper industry that the Brussels Commission once again freeze the ceilings for paper imports from the EFTA countries.

The Scandinavian companies were harder hit by the recession than their EEC colleagues and were not to blame for the difficulties facing the European paper industry. The Association states in its monthly report, Swedish public opinion would consider any freeze on imports "difficult to understand and very regrettable."

Under the free-trade agreement between Sweden and the EEC, Britain can raise the Sweden's duty-free quotas by 5 per cent a year to maintain the tariff exemption prevailing in the 1960s, when Britain was a member of EFTA.

The Government has refused to raise the quotas for 1978 except for a few products, which give an increase of about 1 per cent overall. It permitted no increases in 1977 and an average increase

of less than 2 per cent in 1976. The quotas cover all types of paper and board except for newspaper. The Swedes complain that for most products, their quotas are the same as in 1975 despite the rise in British output and the fact that the price trend in British paper mills has been better than that for their own companies.

At the same time as imports from Scandinavia were being restricted, "paper is streaming in" to Britain from the Continent following the abolition of the internal EEC tariff last year, the Swedish association states. The fact is the Swedes can do about the British decision but they are still protesting the freeze on their ceilings in Brussels.

The background to the Swedes' disappointment is to be found elsewhere in the report. Last year they had difficulty in holding even their traditional share of the British market in wood-free and printing papers. They were able to operate only at 65 per cent of their capacity, which has been substantially increased during the 1970s.

The Association notes that American exports of kraft liner to the EEC, now to be investigated on charges of dumping by

the Brussels Commission, have also affected Swedish supplies. Last year the Swedes were forced to move down towards the American price level to avoid a market loss similar to that they have experienced in the market for Swedish chemical pulp mills which under 70 per cent in 1977. Production of market pulp totalled only 3.4m. tonnes, a fall of 18.5 per cent compared with 1976 when the Swedes were stockpiling, and total pulp exports were still 30 per cent below the 1974 level. Stocks were reduced to about 900,000 tonnes by year's end.

The fall last year in prices for pulp and several paper products meant that the value of Swedish exports remained virtually unchanged at around Kr.11.6bn. (£1.3bn.) despite increases in 1976. All parties must restrain production, they argue, to bring about the stabilisation and improvement in prices which the whole West European paper industry needs.

Call to improve U.S. exports

BY STEWART FLEMING

NEW YORK, Feb. 1.

THE U.S. must make a political commitment to improve its exports if it is to achieve a lasting improvement in its trade balance and in the strength of the dollar. A better U.S. energy policy, although vital, will not be sufficient to reduce the current account deficit.

This is the conclusion of a pessimistic analysis of the problems of the dollar, released today by the leading U.S. commercial bank, Morgan Guaranty Trust, in its monthly World Financial Markets.

Morgan Guaranty estimates that, over the past two months, the U.S. government's interven-

tion in the foreign exchange markets to support the dollar probably totalled the equivalent of \$2bn.

The bank suggests that it will take "perhaps several years" for the U.S. to achieve its first imperative, "to reduce substantially the current account deficit."

In terms of achieving this objective, it says, "It would be erroneous to believe, however, that a better U.S. energy policy can do much more than stabilise petroleum imports for a few years."

Because of this, the bank argues, "relying on limitations on exports is much more than that of its trading partners, and 'revving up exports' are the 'critical near-term needs'."

It questions the "analysis" that more rapid growth in Europe and Japan might wipe out the \$15bn. current account deficit, arguing instead that the "major U.S. export problems lie in its declining share of world export markets, and particularly in its relationship with Japan and the non-aligned exporters of less-developed countries."

S. Korea warned on shoes

WASHINGTON, Feb. 1.

THE U.S. HAS warned South Korea that it may have to halt temporarily certain footwear imports, if the South Korean Government refuses to hold down shipments in the next few months.

U.S. Customs figures show that South Korea in the period between June 23 and December 31 shipped more than 18m. pairs of athletic footwear, including joggers, to the U.S. market, when the quota for such imports in the 12 months ending next June 27 totals 21.5m. pairs.

The U.S. has "orderly marketing" agreements with South Korea and Taiwan that restrict their footwear exports to a three-year period, under quotas

that are to be enforced by the Asian countries.

Because the athletic footwear imports from South Korea appear to be approaching the 12 month quota limits at the half-year mark, U.S. trade policy officials are asking the South Korean Government what action they will take to slow such shipments.

At the U.S. Customs, Customs supervisors at various ports have been directed to start monitoring the imports from South Korea "on a daily basis," a U.S. trade official said.

South Korea's total quotas for the year ending June 27, 1978, for athletic footwear amount to 33m. pairs. AP-DJ

India to ease imports

BY K. K. SHARMA

NEW DELHI, Feb. 1.

INDIA'S IMPORT and export policies and procedures are to be further liberalised on lines suggested in a report of an official committee submitted today. It recommends the elimination of red tape that has harassed industrialists and traders for three decades.

Apart from recommending simplification of procedures, the committee urges that imports of industrial raw materials and items not actually on the banned list should be relatively unhampered. Industries should be allowed imports on the basis of their past year's figures plus 10 per cent, the report says.

The committee, headed by Dr. P. C. Alexander, Commerce Secretary, has also recommended "liberal and dynamic" import of technology by keeping in view national priorities and the present state of development of indigenous technology.

THE FIRST Chinese delegation to visit India since the 1963 border war is due to leave for New Delhi in about a week at the invitation of four Indian industrial and trading corporations.

The decision by the Chinese to accept the invitations appears

to indicate gradual improvement in Sino-Indian relations since diplomatic ties were restored at ambassadorial level in 1976.

The delegation, of about 15 people is expected to attend an 11-day engineering fair in New Delhi before going on a fact-

Canada seeks more trade with China

MR. DON JAMIESON, Canada's External Affairs Minister, ended three days of talks with Chinese Government Ministers in Peking yesterday by exploring possibilities for expanding Canada's trade with China.

Canadian sources said Mr. Jamieson, on a Sunday visit, had an hour-long meeting with Li Ching, Foreign Minister, in which they discussed prospects for trade — currently running heavily in Canada's favour because of wheat sales.

Canada estimates its exports to China last year totalled \$400m.

Analysts in Peking speculate that China may have to buy up to 5m. tonnes of wheat this year after a poor harvest in 1977. Canada seemed assured of the major part of any order because of its close ties with Peking.

Sino-Indian trade hopes

THE FIRST Chinese delegation to visit India since the 1963 border war is due to leave for New Delhi in about a week at the invitation of four Indian industrial and trading corporations.

The decision by the Chinese to accept the invitations appears

to indicate gradual improvement in Sino-Indian relations since diplomatic ties were restored at ambassadorial level in 1976.

The delegation, of about 15 people is expected to attend an 11-day engineering fair in New Delhi before going on a fact-

DUTCH DEFICIT

Blame on gas and the guilder

BY CHARLES BATCHELOR IN AMSTERDAM

HOLLAND'S EXPORT problem has turned into a heated debate and industry generally places a large part of the blame for its difficulties on the appreciation of the Dutch currency. However, the Central Bank, the Finance Ministry, and to a certain extent the commercial banks believe the problem lies elsewhere.

Both the Central Bank president, Dr. J. J. Zijlstra, and the treasurer, Dr. A. M. W. Wellink, have warned against seeking an export advantage in a depreciation of the guilder, arguing that Holland's firm currency has been a protection against imported inflation. West Germany and Switzerland, with firm currencies and low rates of inflation, are put forward as the models for Holland and not the U.K. and Italy.

Holland's largest trading partner, West Germany — which accounts for 30 per cent of Dutch exports and 24 per cent of imports — has maintained a strong export position despite seeing a currency climb even more strongly than the guilder.

In the first 11 months of 1977, visible trade showed a deficit of Fls.4.6bn., compared with a surplus of Fls.2.5bn. in the same 1976 period. Dutch exports totalled Fls.97.9bn. in the January to November period (Fls.96bn. in 1976) while imports were Fls.102.5bn. (Fls.98.3bn.).

The Government's Central Planning Bureau revised a number of forecasts in November to show exports would fall 1 per cent by volume in 1977 (it earlier forecast zero growth). It

forecast a 6 per cent rise this year (earlier estimate 7½ per cent). It has also revised downwards the 1978 current account balance, from Fls.2.5bn. forecast to Fls.2.5bn. from Fls.5bn. forecast.

The firmness of the guilder has largely been due to exports of natural gas which some estimates put at worth Fls.15bn. in 1977, covering actual exports and savings on oil imports. There is

no doubt this has masked the worsening economic situation. Gas revenues have been used to increase public spending 6 per cent.

The bank argued that Holland's 1977 deficit was incidental and due to factors such as high levels of domestic consumption — car imports were a major item last year — and to a revised system of registering oil imports which added Fls.1.5bn. to the import bill.

The bank does not foresee a trade surplus in 1978 but then Holland has only run a visible trade surplus in four years — 1973 to 1976 inclusive — out of the last 20.

The causes pinpointed by the monetary authorities and the commercial bankers, and which are also acknowledged by industry, are high wage and production costs.

In fact Holland's traditional mission report puts Holland at the top of the world wage league. Hourly wage costs in industry were 5.70 European units of account in 1975 compared with 5.20 in West Germany, 4.10 in France and 2.70 in the U.K.

The Dutch Export Federation puts some of the blame for Holland's poor export performance down to a lack of willingness on the part of exporters to tackle new markets. With the exception of the Dutch-based multinationals many companies have not switched their export effort to countries where demand is expanding — such as 70 per cent of exports go to other Common Market members and 80 per cent are within Western Europe.

The Government is worried about this situation and has taken measures to boost sales abroad. It has appointed a second State Secretary at the Economics Ministry to handle export problems and additional means will be given to companies which contribute to exports.

But exporters foresee the worst unless Holland adopts a "crisis plan" for exports. They want the resurrection of a central trade promotion organisation which was set up in the 1960s. They want co-ordinated EEC efforts to promote exports and see a current thinking — such as that behind the multi-fibre accord — as being too one-sided in favour of imports.

The top of the world wage league. Hourly wage costs in industry were 5.70 European units of account in 1975 compared with 5.20 in West Germany, 4.10 in France and 2.70 in the U.K.

The Dutch Export Federation puts some of the blame for Holland's poor export performance down to a lack of willingness on the part of exporters to tackle new markets. With the exception of the Dutch-based multinationals many companies have not switched their export effort to countries where demand is expanding — such as 70 per cent of exports go to other Common Market members and 80 per cent are within Western Europe.

The Government is worried about this situation and has taken measures to boost sales abroad. It has appointed a second State Secretary at the Economics Ministry to handle export problems and additional means will be given to companies which contribute to exports.

But exporters foresee the worst unless Holland adopts a "crisis plan" for exports. They want the resurrection of a central trade promotion organisation which was set up in the 1960s. They want co-ordinated EEC efforts to promote exports and see a current thinking — such as that behind the multi-fibre accord — as being too one-sided in favour of imports.

The causes pinpointed by the monetary authorities and the commercial bankers, and which are also acknowledged by industry, are high wage and production costs.

In fact Holland's traditional mission report puts Holland at the top of the world wage league. Hourly wage costs in industry were 5.70 European units of account in 1975 compared with 5.20 in West Germany, 4.10 in France and 2.70 in the U.K.

The Dutch Export Federation puts some of the blame for Holland's poor export performance down to a lack of willingness on the part of exporters to tackle new markets. With the exception of the Dutch-based multinationals many companies have not switched their export effort to countries where demand is expanding — such as 70 per cent of exports go to other Common Market members and 80 per cent are within Western Europe.

The Government is worried about this situation and has taken measures to boost sales abroad. It has appointed a second State Secretary at the Economics Ministry to handle export problems and additional means will be given to companies which contribute to exports.

Dean Witter Reynolds International, Inc.

Algemene Bank Nederland N.V.

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque Bruxelles Lambert S.A.

Banque de Paris et des Pays-Bas

Kreditbank S.A. Luxembourgeoise

Abu Dhabi Investment Company	Alahli Bank of Kuwait (K.S.C.)	A.E. Ames & Co.	Amex Bank
Amsterdam-Rotterdam Bank N.V.	The Arab and Morgan Grenfell Finance Company		
Bache Halsey Stuart Shields	B.A.I.I. (Middle East) Inc.	Banca Commerciale Italiana	Banca del Gottardo
Banca Nazionale del Lavoro	Banca della Svizzera Italiana		Banco di Roma
Banco di Santo Spirito	Banco de Vizcaya, S.A.	Bank of America International	Bank Julius Baer International
Bank Gutzwiller, Kurz, Bangener (Overseas)	Bank London & Kimche A.G.		Bank Leu International Ltd.
Bank Mees & Hope NV	Banque Française du Commerce Extérieur		Banque Générale du Luxembourg S.A.
Banque de l'Indochine et de Suez	Banque Internationale à Luxembourg S.A.		Banque Louis-Dreyfus
Banque Nationale de Paris	Banque de Paris et des Pays-Bas (Suisse) S.A.		Banque Populaire Suisse S.A. Luxembourg
Banque Privée S.A.	Banque Rothschild	Banque Worms	Baring Brothers & Co.,
Bayerische Hypotheken- und Wechsel-Bank	Bayerische Landesbank	Joh. Berenberg, Gossler & Co.	Bergan Bank
Berliner Handels- und Frankfurter Bank	Blyth Eastman Dillon & Co.		Caisse des Dépôts et Consignations
Cazenove & Co.	Christiania Bank og Kreditkasse	Commerzbank	Compagnie Monégasque de Banque
Continental Illinois	County Bank	Crédit Commercial de France	Crédit Industriel d'Alsace et de Lorraine
Crédit Industriel et Commercial	Crédit Lyonnais		Crédit da Nord
Credito Italiano	Daiwa Europe N.V.	Richard Daus & Co. Bankiers	Den Danske Bank
Den norske Creditbank	Deutsche Girozentrale	IG Bank	Dillon, Read Overseas Corporation
Dresdner Bank	Effectenbank-Warburg	Eurogest S.p.A.	Euromobiliare S.p.A.
European Banking Company	Finacor	First Boston (Europe)	Robert Fleming & Co.
Genossenschaftliche Zentralbank AG			Antony Gibbs Holdings Ltd.
Girozentrale und Bank der österreichischen Sparkassen			Goldman Sachs International Corp.
The Gulf Bank K.S.C.	Hambros Bank	Handelsbank N.W. (Overseas)	R. Henriques Jr. Bank
Hessische Landesbank	Hill Samuel & Co.	E. F. Hutton & Co. NV	IBJ International
Istituto Bancario San Paolo di Torino	Jardine Fleming & Company		Kansallis-Osake-Pankki
Kjøbenhavn Handelsbank	Kleinwort, Benson	Kreditbank N.V.	Kreditbank (Suisse) S.A.
Kuhn Loeb Lehman Brothers International			Kuwait Financial Centre S.A.K.
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)			Kuwait International Finance Co. S.A.K. "KIFCO"
Kuwait International Investment Co. s.a.k.			Kuwait Investment Company (S.A.K.)
Lazard Frères et Cie	Lloyds Bank International	McLeod, Young, Weir International	
Merrill Lynch International & Co.	B. Metzler seel. Sohn & Co.	Samuel Montagu & Co.	Morgan Grenfell & Co.
Nederlandsche Middenstandsbank N.V.	Nesbitt, Thomson	Nene Bank	The Nikko Securities Co., (Europe) Ltd.
Nomura Europe N.V.	Norddeutsche Landesbank	Sal. Oppenheim Jr. & Cie.	Orion Bank
Österreichische Länderbank	Paine Webber Jackson & Curtis	Peterbroeck, van Campenhout, Kempen S.A.	
Pierson, Helderling & Pierson N.V.	PKBanken	Postbank	Rothschild Bank AG
N.M. Rothschild & Sons	Sanwa Bank (Underwriters)	A. Sarasin & Cie.	Saudi Arabian Investment Company Inc.
Scandinavian Bank	J. Henry Schroder Wagg & Co.		Schweizerische Hypotheken- und Handelsbank
Skandinaviska Enskilda Banken	Smith Barney, Harris Upham & Co.		Société Bancaire Barclays (Suisse) S.A.
Société Générale	Société Générale Alsacienne de Banque		Société Privée de Gestion Financière
Société Séquanaise de Banque	Sofites S.p.A.	Strass, Turbail & Co.	Sumitomo Finance International
Svenska Handelsbanken	Swiss Bank Corporation (Overseas)		Tokai Kyowa Morgan Grenfell
Trade Development Bank	Tradition International S.A.		Union Bank of Finland Ltd.
Union de Banques Arabes et Françaises-U.B.A.F.	Vereins- und Westbank		J. Vontobel & Co.
M.M. Warburg-Brinckmann, Wirtz & Co.	S.G. Warburg & Co. Ltd.		Wardley
Westdeutsche Landesbank	Wood Gundy		Yamaichi International (Europe)
Girozentrale			

February 1, 1978

IF YOU'RE LOOKING FOR VALUE FOR MONEY, DON'T FORGET TO LOOK AT THE VOLVO 244DL.

VOLVO 244DL	£4769
BMW 320	£4999
AUDI 100LS	£5145
ROVER 2300	£5645
MERCEDES 200	£5995

(Prices for manual versions as at 23rd January 1978 and include car tax and VAT at the current rate.)

While other car makers have been sprinting ahead on prices, Volvo have been putting on the brakes. So much so that the Volvo 244DL offers outstanding value.

For your money you get a car with an almost legendary reputation for durability and safety — not to mention space, comfort and a high specification.

Call in at your local Volvo dealer and take a test drive. You'll find his address in Yellow Pages.

These days you don't often get the chance to drive such a bargain. **VOLVO**

The Volvo 200 Series. From £4,769 (delivery and number plates extra). For your free copy of 'The Volvo Facts', write to: Volvo Concessionaires Ltd., London W13 9JQ. Enquiries: Sales Tel: High Wycombe (0494) 33444. Service Tel: Ipswich (0473) 72026. Parts Tel: Crick (0788) 822131.

HOME NEWS

Fertiliser company to resume output

By Our Own Correspondent

A MAJOR nitrogen fertiliser producer in the south-east of England, Thames Nitrogen, hopes to start production this month after a break of nearly a year.

The company, which employed 150 people at its plant at Rainham, Essex, stopped making ammonium nitrate last March when it could no longer compete with Imperial Chemical Industries.

ICI holds a dominant position in the nitrogen fertiliser market. Its prices had been kept at a level well below those in other West European countries, because of the advantage it derived from a 15-year supply contract for cheap natural gas from the British Gas Corporation. Natural gas is the raw material for ammonia, the major intermediate for nitrogen fertilisers.

The ICI contract with British Gas was renegotiated late last year, leading to a 15 per cent increase in fertiliser prices. The higher prices mean that Thames Nitrogen can compete again in fertiliser markets with ammonia bought on the world market.

Humphreys may win £30m. deal

By Kevin Done, Chemicals Correspondent

HUMPHREYS AND GLASGOW has emerged as the most likely contractor for the construction of a £30m. chloromethanes plant for Imperial Chemical Industries.

The 200,000 tonnes a year plant, which is claimed to be the largest ever planned, has still to receive main Board sanction. This is holding up the signing of contracts with the chosen contractor. The plant is planned for the Mond Division site at Runcorn, and will be based on a joint licensing agreement between ICI and Stauffer.

It is aimed at meeting the increasing world demand for methylene chloride, estimated to be growing at between 6 and 8 per cent a year. Methylene chloride is used in various outlets as a solvent—in uses such as paint strippers—and has application in the oil, plastics, fibres, pharmaceuticals, feedstuffs and adhesives industries.

Meanwhile Vulcan, the 50/50 joint venture formed in late 1973 by ICI and Rhone-Poulenc to manufacture rubber chemicals, has announced that it expects to start its investment programme initially in the specialty rubber chemicals field.

Elf finds gas and oil off West Shetland

BY RAY DAFTER, ENERGY CORRESPONDENT

THE ELF offshore oil group has made significant oil and gas discovery in the West Shetland area.

It is expected that the find, on Block 206/7, will lead to a spate of wells being drilled in the area which, in spite of considerable activity last year, has still to be confirmed as a region with important recoverable reserves.

The Elf find has kept alive oil industry hopes, however. Elf said that a four-company consortium tested an aggregate oil flow of 1,700 barrels a day from three producing intervals through a three-thirds-inch choke. The well also produced gas at the rate of 3.9m. cu. ft. a day.

The commercial significance of the discovery would not be known until further exploration work had been carried out in the area.

The consortium, which includes British National Oil Corporation, Conoco and Gulf, is releasing the exploration rig Pentagone 82.

The rig has been operating on the block since November 10,

making the well one of the most expensive exploration exercises in that offshore region. Industry estimates put the cost of the well at about £5m.

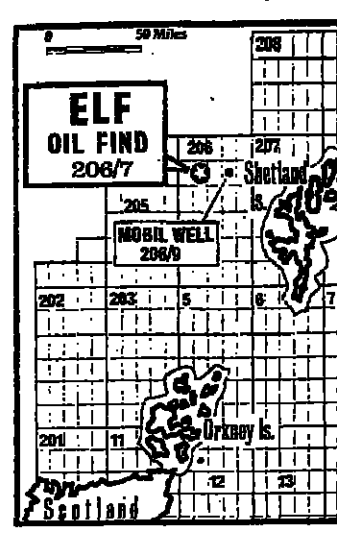
Stockbrokers Gilbert Elliott said yesterday that the interest generated by the well and exploration last year could lead to a drilling programme costing between £20m. and £30m. this summer.

Ten new wells might be drilled by companies with concessions west of the Shetland Islands. Only Mobil is braving the rough weather in the area. It is using the rig Kingsnorth U.K. to drill an exploration well on Block 206/8.

It is possible that the structure, now being evaluated by Mobil, is linked to the Elf discovery and to the earlier find by British Petroleum on Block 206/5.

Industry reports suggest there is a similarity between the heavy oil found in the BP and Elf blocks.

Although the possible producing structure is thought to cover a wide area, the oil-bearing sands are said to be thin.



As a development programme would probably have to include some form of costly enhanced recovery system, the commercial potential of oil and gas so far discovered is still far from clear.

Elf-Aquitaine seeks aid Page 27

Court told of trips to Zurich and Bangkok by stockbroker

FINANCIAL TIMES REPORTER

DOCUMENTS INDICATING that an accused City stockbroker, Mr. Lewis Altman, had been to Zurich and Bangkok in an effort to contact people who could help Treasury inquiries into large-scale dollar premium transactions were produced at Guildhall Court yesterday.

They were put to Mr. Derek Kemp, a prosecution witness, and former company secretary with the stockbroking firm L. Altman. He said that one was a copy of a document circulated in the office after Mr. Altman had made notes about his own overseas inquiries.

Mr. Robin Auld, QC, for Mr. Altman, told the court: "There is no suggestion that either Mr. Altman or Mr. Kemp knew any-

thing about possible dishonesty by Mr. Judah Binstock, if it existed, in the course of his dealings with the firm."

Both Mr. Altman, 59, and his partner, Mr. Robert Carnes, 31, deny conspiring with Mr. Binstock and five others to contravene exchange control regulations in 1974-75 in currency deals of £6.6m. from which £2m. profit is alleged to have been made by some involved in the alleged scheme.

Others named in the charge include a number of foreign-based businessmen or company executives.

Mr. Kemp, who continues his evidence today, said: "I had no reason to suppose that Mr.

Binstock was not a thoroughly reputable person."

"He regularly came to the office to see Mr. Altman, but I was never completely aware of their relationship."

"He was always in a hurry when he visited the office, and was a robust and outspoken character."

He thought Mr. Binstock had introduced some Liechtenstein companies to the firm for business reasons.

Mr. Kemp said that when the Treasury began its inquiries in 1975 Mr. Altman's firm was very busy with a potential merger, which later ceased, with another firm of stockbrokers, and this could explain some delays in answering Treasury queries.

£50 cash limit for giro cheques

CASH LIMITS on Post Office giro cheques are to rise by £20 to £50 from April, Sir William Barlow, Post Office chairman, said in Bootle yesterday.

The move is part of a package aimed at improving the giro service for customers whose salaries are not paid into the bank.

Charges for cashing giro

cheques at post offices will drop and cheque books and prepaid envelopes will be free.

Sir William said that he wholeheartedly supported the idea of providing better customer services at lower prices.

To help to pay for some of the changes, drawings on any account holding less than £50 will be subject to charges. The

present limit is £30.

The Post Office is to spend £400m. in the next five years developing the telephone service in the North West.

Sir William said that no decision on increased telephone charges had been made. "We are to hold them for the present and I can assure you that any future rises will be kept to a minimum."

Tripartite talks on power strategy

BY ROY HODSON

ELECTRICITY industry strategy is expected to be discussed soon by the Government, industry chiefs and the unions.

Sir Francis Tombs, chairman of the Electricity Council, told the Commons Select Committee on Nationalised Industries yesterday that general policy discussions would start soon.

The industry is awaiting the Government Bill for the reconstruction of the industry broadly on the lines of the report of Lord Plowden's Committee and the statement to the Commons last autumn by Mr. Anthony Wedgwood Benn, Energy Secretary.

Sir Francis said that the proposed new functions would allow area bodies to manage day-to-day running of the £4.5bn. a year industry.

Centralised management of the industry would be invested in an Electricity Corporation which would monitor investment, national industry planning, research and development, tariff structures, industrial relations, and national commercial and industrial policies.

The industry is now split into 14 organisations—the Electricity Council, the Central Electricity Generating Board, and the 12 area electricity boards. The Plowden report recommended—with support from industry—a more centralised structure.

Sir Francis told the committee that disconnections for failure to pay bills were dropping. In 1977-78, disconnections were expected to fall by about 20 per cent below the 1976-77 level of 103,000.

Bill Francis appointed by Trafalgar

Financial Times Reporter

MR. BILL FRANCIS, the former vice-chairman of Tarmac who resigned in September after announcements that a Tarmac subsidiary faced £12m. losses in Nigeria, has been appointed an executive director of Trafalgar House with responsibility for Cementation Holdings.

Mr. Francis was the Tarmac director responsible for the £5.3m. purchase in April 1976 of Holand Hansen and Cubitts, the construction arm of Drake and Cubitt.

By last autumn Tarmac had pinpointed an estimated £12m. losses in contracts being carried out by Cubitts Nigeria, a subsidiary of Holand Hansen.

Since then, both Drake and Tarmac have been involved in legal cross-actions over whether warranties in the sale agreement for H H and C cover the Nigerian problems.

Like Tarmac, Cementation is an international construction company and one for which Tarmac once bid in 1970. It was acquired by Trafalgar after a stiff three-cornered contest also involving Bovis.

MPs want more answers from light watchdog

BY LYNTON McLAIN, INDUSTRIAL STAFF

GOVERNMENT CONSUMER watchdogs who yesterday were accused by MPs of giving unsatisfactory answers to a Commons committee investigating the lightbulb life are to be recalled for a second time.

The officials first gave evidence on January 18. But yesterday, Mr. Arthur Palmer, chairman, said, after two hours examination of officials from the Office of Fair Trading, and Departments of Prices and Consumer Protection, Energy and Industry, there were still gaps in his knowledge. He was far from satisfied with the answers given.

Mr. John de Pauley, of the Office of Fair Trading, said that there had been allegations of unregistered cartels in Britain's lamp industry. These had been investigated but were of no substance. Some agreements between lamp companies were already on the office register, but these did not concern unfair trading.

Mr. Ted Leadbetter, a member of the committee, refused to accept the explanation, and demanded more information on the cartel investigation. The Office had talked to three local authorities and were shown competitive tenders from lamp companies, said Mr. de Pauley.

The committee asked Mr. James Challis, an Energy Department official, about tests on varying lamp voltage, as this could cut efficiency. He said that efficient lamps could cut Britain's lighting bill by a third, but the Energy Department had failed to talk with lamp companies.

The public was not interested in higher efficiency lamps, claimed Mr. Don Clark, an Under Secretary at the Industry Department responsible for industrial technologies. Accused by Mr. Palmer of drawing loose conclusions, Mr. Clark withdrew his remark saying he did not have enough data.

Two jailed for £1m. 'fantasy plan' to blackmail ICI

A £1m. "fantasy" plan to blackmail ICI for stolen computer tapes turned into a "Keystone Cops" farce, an Old Bailey trial was told yesterday.

Cox, 27, computer operations supervisor, was jailed for six years, and Peter Jenkins, 27, computer assistant programmer, for five years. Both are of Thornton Heath, South London.

They pleaded guilty to demanding £275,000 from ICI with menaces between January 9 and 12 last year.

Cox stole the tapes because, he said, he wanted to prove the inadequate security precautions at the ICI computer centres.

Jenkins, who ran his own computer company in Holland, was brought in to assist him with the plan.

It was stated that the two men hoped that the missing tapes would put the management into a state of panic and wipe millions off the group's stock market share values.

Mr. Allan Green, prosecuting, said that the 48 discs and 540 tapes stolen, valued at £150,000, contained information which

would have taken six men years to replace.

The two men later dropped the £1m. ransom demand to £275,000, but their plans to pick up the money were "very inept," said Mr. Geoffrey Robertson, defending.

They were caught in a chase in Oxford Street after they tried to snatch the case supposedly containing the money from an ICI official.

Mr. Green said that the tapes were stored at ICI computer centres in Holland, where Cox was a senior manager, and one of the few people who had permission to handle them.

The plan started as a joke and then became reality. The original ransom sum was dropped when the man who was to have switched the £1m. "round the world" decided he wanted nothing more to do with it.

Once the tapes were stolen, said Mr. Green, Cox phoned a senior official at ICI in London. The ransom money was to be handed

over in London in £5 and £10 used notes, which were not to be in sequence.

Tesco buys superstores from Debenhams

BY OUR CONSUMER AFFAIRS CORRESPONDENT

DEBENHAMS IS selling its two superstores and one department store to Tesco for £4.5m. Tesco, already runs several large superstores and will operate all three as superstores.

The sale marks the end of Debenhams' bid to establish itself as a superstore operator. It is subject to Tesco getting planning permission to re-develop it as a superstore.

The store's proximity to major roads, however, make it a good site for a superstore.

The latter was formerly run under the Scan name—originally chosen for the Debenhams superstores—and was changed to One Stop last year. Debenhams has department stores in both cities.

The sale of the third store—on the outskirts of Bradford—is subject to Tesco getting planning permission to re-develop it as a superstore.

It has been cut off from the city centre by the new motorway network and Debenhams believed it was not worth spending money on refurbishing it.

Tories seek full indexation of tax on capital gains

BY RUPERT CORNWELL

FURTHER DETAILS of Tory strategy on tax reform emerge to-day with a report from a specialist working party urging full indexation of capital gains tax to make up for the erosion of inflation.

The paper, from the taxation sub-committee of the Society of Conservative Lawyers, is in response to suggestions made by the Inland Revenue last October which opposed indexation on the grounds that it would be too complicated and would place an extra burden on an already overstretched tax administration.

The lawyers sub-committee claims that datum point indexation could overcome these difficulties.

The basis of their plan is for the purchase and selling price of any asset liable for capital gains tax to be calculated in its equivalent in 1974 pounds, the base year for the retail price index.

The gain or loss expressed in 1974 terms would then be converted into current values and tax levied on that sum.

The working party also recommends an annual threshold of £500 for net real gains before tax is charged, that re-investment relief be extended to all assets, and that people over 65 should be completely or partly exempt from tax.

The document favours maintaining a flat rate of tax in preference to a tapering levy and also calls for a rise in the "chattels" exemption from the 1965 level of £1,000 to £3,500.

It argues that an asset sold to-day for the same real value as in 1973, this would be in 1965 will nonetheless be liable for tax of one fifth of the proceeds. Tax was also payable if an asset was sold at a paper profit of 100 per cent, when in fact its real value had fallen by a third.

Fether Riddell writes: Income taxes would have to be cut by £1.07bn. For taxpayers at the top rate—now 83 per cent—the starting point would have to be increased from £21,001 to £40,318.

Cutting the basic rate of income tax from 34 to 30 per cent (as in 1973) would cost about £1.8bn, Sir Geoffrey said.

Conservative Party's Finance Committee, published yesterday, Sir Geoffrey said it was "high time" to put the expected tax cuts in the spring Budget into perspective.

With anything less than a £4.8bn. cut "we should still be paying heavier income tax than after the last Conservative Budget."

The total of £4.8bn. includes cuts costing £2.2bn. to raise personal allowances from their present level to the same real value as in 1973. This would, for example, involve raising the married allowance from £1,455 at present to £1,683.

Restoring the real 1973 position for higher-rate taxpayers would cost some £800m. The starting point for the 40 per cent rate would have to be raised from the present £5,000 to £10,078. For taxpayers at the top rate—now 83 per cent—the starting point would have to be increased from £21,001 to £40,318.

Cutting the basic rate of income tax from 34 to 30 per cent (as in 1973) would cost about £1.8bn, Sir Geoffrey said.

National Insurance cut urged

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A REDUCTION in National Insurance contributions could be a more effective way of tackling Britain's prime economic problem of unemployment than merely cutting income tax, it is suggested to-day.

The Fraser of Allander Institute at Strathclyde University claims in its quarterly commentary that the Chancellor should reduce taxes on employment in

his spring Budget rather than rely simply on a boost to consumer spending.

A cut in the employer's contribution to National Insurance would encourage the recruitment of labour, while a reduction in the employee's contribution would go some way to increasing disposable income.

In development areas, such as Scotland, such a policy would

offset some of the damage done by the removal of regional employment premium at the beginning of last year. The commentary says that this had the effect of increasing wage bills by 4.2 per cent, resulting in the loss of 20,000 jobs in Scotland.

Overseas Economic Commissioners, Fraser of Allander Institute, Strathclyde, 100 Montrose Street, Glasgow, G4 6TP.

Financial deputy for Post Office appointed

THE POST Office has created a senior financial post to co-ordinate its £4bn. a year activities. The job, as deputy to the Board member responsible for finance and corporate planning, has been given to Mr. Charles Beauchamp, who has been with the Post Office since 1959.

Mr. Beauchamp, aged 56, will work closely with Mr. Frederick Waterhouse, who was appointed Board member for finance in December. He will support Mr. Waterhouse in running key Post Office departments—central finance, central audit, and statistics and business research.

Ismaili home

LONDON is to be the new home of the Ismaili Muslim Sect's Western world headquarters. The Greater London Council decided last night to lease the former National Theatre site in Kensington to the Aga Khan Foundation. The centre will serve London's 8,000 resident Ismailis.

Pension answer

MR. JOHN HORAM, Under-Secretary of State for Transport, told a Commons committee yesterday that he could not accept that the Government should involve itself in the policy of the trustees of the British Rail Pension Fund of investing in fine arts.

Royal visit

PRINCE CHARLES is to visit the Occidental North Sea group's Piper and Claymore oil fields on February 24. The fields are about 120 miles north-east of Aberdeen. This is the first official visit he has made to a North Sea installation.

Hotel rules

HOTELS in England, Wales and Scotland are now required by law to display prices for accommodation prominently in their reception areas.

Chemical fires

THE NUMBER of incidents involving chemicals and hazardous substances reported by the London Fire Brigade went up sharply last year. Firemen attended 240 incidents arising from spillages, leakages or fires involving chemicals, compared with 185 incidents in 1976.

Small boost

THE SMALL business sector in Britain is probably well placed to meet the demands of new technology, says a report by Barclays Bank. It says that small businesses, "so essential to the country's economy and employment," have always proved adaptable.

Builders' protest

SIR MAURICE Laing will be chairman of a committee to fight Labour Party proposals to nationalise the construction industry. The campaign is backed by the National Federation of Building Trades, Employers and the Federation of Civil Engineering Contractors.

County campaign

A PUBLICITY campaign to highlight the dangers of transferring responsibilities for some public services to the counties to the cities is being considered by the Association of County Councils. A special working party is to consider the feasibility of publicising its case.

Datsun prices up

DATSUN is to raise prices of all car and commercial vehicles by up to 7 per cent from February 14. The Cherry will cost £2,279 and the 280C saloon rises £212 to £5,247.

Grant talks

THE GOVERNMENT will meet local authority associations next week to discuss its concern about declining financial support by local education committees for students on sub-degree courses, many of them specifically intended to develop work skills.

Baggage hint

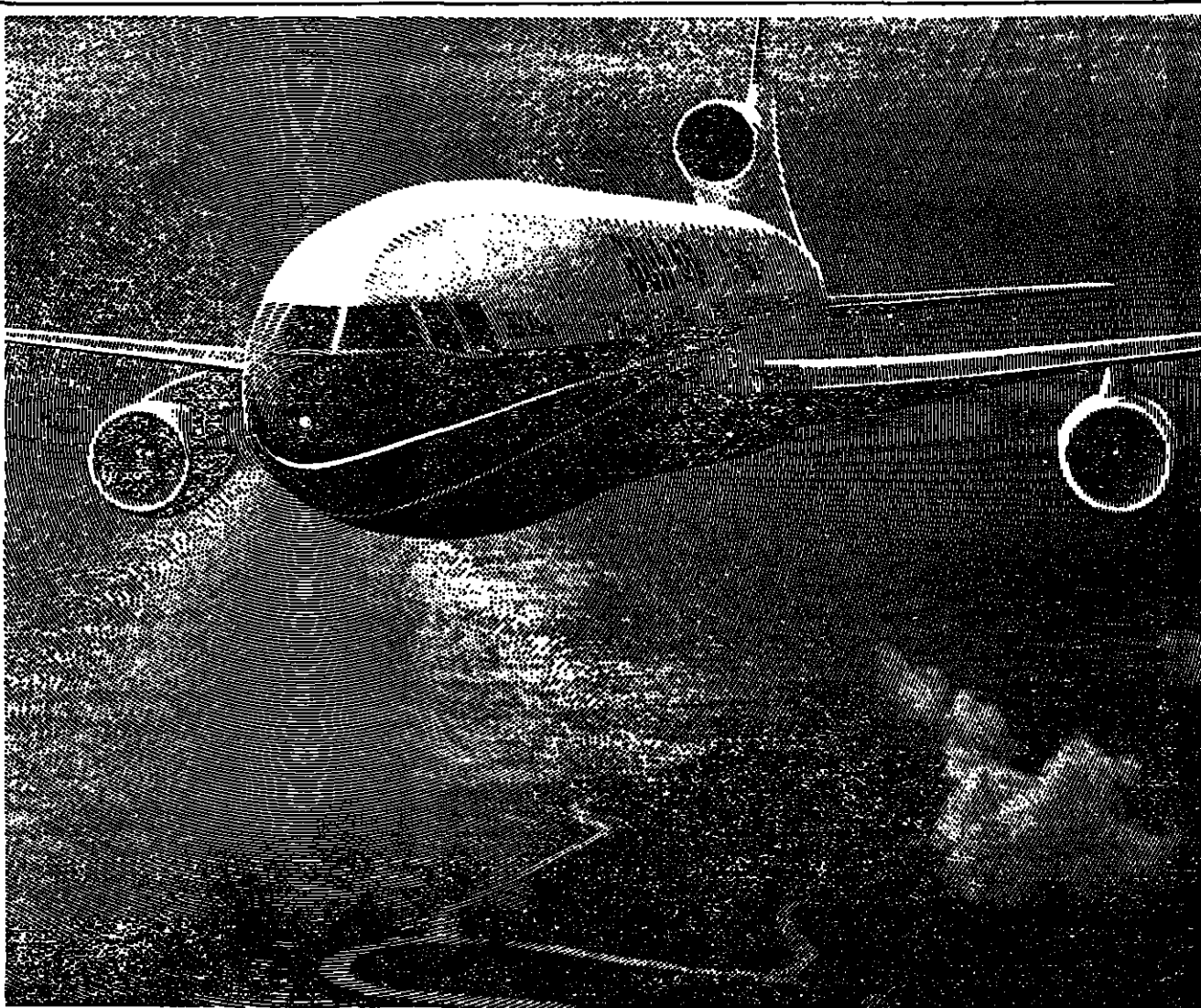
BRITISH RAIL should examine its booking and carriage of luggage conditions to see whether they still matched up to what could be expected of a publicly owned, socially-responsible undertaking in 1978. Mr. Gordon Borrie, Director-General of Fair Trading, said yesterday.

Cheaper fares

BRITISH RAIL is to introduce more cut-price fares under its Big City Saver scheme, which has already made substantial inroads into coach traffic between London and Glasgow and London and Sheffield. Return tickets on selected trains will be sold at the single fare or less.

Money supply

THE GROWTH of the money supply should be "back on track" when the Bank of England's last month's published stock brokers Home Government in their latest review of the gilt-edged market.



Fact... only Gulf Air have direct daily flights to Abu Dhabi, Bahrain, Doha, Dubai and Muscat

No other airline has direct daily flights from London to the Gulf's five richest trading centres. Twice a day, every day of the week, at easy-to-remember departure times, there are Gulf Air flights from London Heathrow direct to the Gulf, with an extra evening departure each Wednesday and Thursday. And on every flight you can enjoy the five-star quality of Golden Falcon service and the quiet comfort of our spacious TriStars. The fact is, if you're flying to the Gulf, it pays to fly Gulf Air...

GULF AIR

Corner of Piccadilly & Berkeley St., London W1V 5HF. Reservations: Tel. 01-409 1551. Telex: 28991 A B GFRES G. Birmingham, 021-632 5591. Manchester, 051-832 9677. Glasgow, 041-245 6381 or contact your local Travel Agent.

HOME NEWS

LABOUR NEWS

Edwardes outlines survival plan for British Leyland

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

NO GOVERNMENT was prepared to put investment capital into British Leyland, it emerged yesterday. Mr. Michael Edwardes, the chairman, said yesterday. He told management and union representatives in Kenilworth that only a healthy business would provide security of employment for the majority of the 135,000 workers in the car group.

"If we try to make the size of the business line up with the number of people we now employ, then there is no way that the business will survive; therefore the employment of all will be in peril."

Mr. Edwardes outlined the gravity of the crisis facing the company. The loss of 250,000 vehicles in 1977 because of strikes action coupled with the poor quality of production had put the whole business at risk. "Nothing is more devastating than our steady decline in market share against a rising market; people are literally walking past our showrooms without a second look. Is it any wonder our dealers are worried and some are defecting to our competitors and strengthening the hold of imported cars in this country?"

Even without industrial disruption for the whole of 1978, Leyland's loss of market share throughout the world meant it would be able to sell no more than 300,000 units. To achieve a 27 per cent share of the U.K. market was necessary and the company had gained only 21 per cent in January. "But I don't consider the situation is completely hopeless as yet," Mr. Edwardes declared.

He called for a united effort from management and workers and support from the Government and public.

The present Leyland Cars structure with a central corporate approach had not worked in the past. Mr. Edwardes highlighted the problems of remote management, excessively



Mr. Derek Robinson, chairman of British Leyland's joint shop stewards' committee, arrives for a meeting of union and management representatives. Shop stewards at the meeting passed a resolution pledging their support.

stagnant crash programme is needed for updating existing models while we introduce a complete new middle-range car at Cowley."

Challenges were also confronting Jaguar Rover Triumph. Model range was acknowledged as world class, but action was required to build on the Jaguar standards of performance, reliability, ride and handling. "New models are planned to continue this marque's outstanding success."

Mr. Edwardes spotlighted the new Rover models as the best of the British Leyland cars. They were runaway winners and the envy of many in the motor industry. In spite of investment of £90m. in new plant, Solihull suffered the worst production and quality problems in the whole company. "It is an oversimplification to argue that our problems stem from clapped-out machinery and under-investment, when there is the example of Solihull to prove that heavy investment does not necessarily get results."

The most pressing priority within specialist cars was the need to rapidly expand production of the Land Rover and Range Rover models.

Mr. Edwardes said Leyland would be spending vast sums of money over the next four to five years and needed unqualified support from employees to justify to Government a case for the funds.

Mr. Edwardes declared that no contract would be placed outside Britain, if it exceeded £1m, without his personal permission. No contract of more than £5m. would be placed overseas without the authority of the British Leyland Board.

Leyland Vehicles, the renamed truck and bus group, would have overall responsibility for design, manufacture and selling of vehicles. It would take over its own export selling from the International Company as soon as practical. The large-scale investment programme already under way to maintain its position as a major commercial vehicle manufacturer would continue.

The Special Products group, which had remained profitable throughout the problems of the past two years, would be renamed SP Industries.

Mr. Edwardes said the concept that Leyland International should act generally as agents for the car companies and truck and bus group was no longer feasible. However, Leyland had highly complex and widespread manufacturing facilities overseas some wholly owned and some in partnership with Government and local interest. A number of these would continue to be controlled through International which would take the name BL International.

"We are continuing a review of our overseas operations both in sales and in manufacturing and we will not hesitate to take drastic action to move out of markets or to close factories where losses are being incurred."

Mr. Edwardes rejected the case put by shop stewards that Leyland could raise its production target this year from 819,000 to 1m. This was not realistic and there was no shirking from the

ACAS bid to end drivers' strike

BY ROBIN REEVES

THE Advisory, Conciliation and Arbitration Service (ACAS) yesterday launched a bid to end the three-day-old strike by 2,000 South Wales lorry drivers.

Representatives of the independent haulage contractors affected and unions were invited to the Cardiff headquarters of ACAS last night.

The employers were led by Mr. Tony Friend, South Wales area chairman of the Road Haulage Association, and the union team by Mr. George Wright, regional secretary of the Transport and General Workers Union. ACAS has been in close contact with both parties since the dispute started last Monday.

The lorry drivers are demanding consolidation of phase one and two pay increases into the basic wage which still stands at £40 for a 40-hour week, before the calculation of a further 10 per cent rise.

They insist that the consolidation has been accepted by employers elsewhere in Britain and that many independent hauliers in South Wales are prepared to settle on these terms.

However, the negotiations broke down because the Road Haulage Association was not prepared to go beyond the 10 per cent increase as a further supplement to the £40 basic. To do so would be to breach the Government's pay guidelines and invite sanctions, it said.

It is understood that ACAS is to remind both sides of the Government's guidelines but responsibility for adhering to them will remain with the parties to the dispute.

The strike has cut off large supplies of household anthracite coal from open-cast sites in the region.

Fireman refused injunction

A MOVE to stop the London Fire Brigade sacking six firemen convicted of their failed in the High Court yesterday.

Mr. Justice Jupp refused a test application by Mr. Alan Edwards for a temporary injunction banning the Greater London Council and Mr. Peter Darby, London Chief Fire Officer, from dismissing or suspending him without pay.

Mr. Edwards sought a temporary injunction to prevent them acting on the notice until the case could be argued fully in court.

Mr. Edwards' application was based on the Fire Brigades Union, which is concerned that the men face disciplinary action under the GLC's staff code rather than under the Fire Brigades 1948 disciplinary code.

Mr. John Lewis, the union's national executive member, said later that he would be "strongly" recommending to Friday's meeting of a London area committee not to go ahead with threatened industrial action.

Mr. Merlyn Rees, the Home Secretary, yesterday gave no assurance that the Government's promise on the fireman's pay deal applies to fire officers also, when he met the latter for pay talks. The officers are prepared to accept 10 per cent, now, with a guarantee of future rises.

Overtime ban may affect Polish shipping order

BY OUR LABOUR STAFF

SMITH DOCK South Bank Shipyard, on the Tees, which was awarded three of the Polish bulk-carriers lost by Swan Hunters, has been hit by labour troubles.

Shipbuilding union leaders yesterday began informal talks on their claim for a new national pay agreement in the industry, which was recently nationalised.

More than 800 ancillary workers, members of the Transport and General Workers Union, have banned overtime because of a pay dispute. The problem has been caused by the Government's apparent refusal to approve an increase due on January 1.

It is understood that both the claim, and the offer by the company submitted to British Shipbuilders for approval, fall within the Government's 10 per cent pay guidelines.

Shop stewards have met representatives of British Shipbuilders to ask why the pay increase cannot go ahead, but evidently without success.

When Smith Dock was awarded the contract to build the three Polish vessels, the union agreed that there would be no labour troubles. British Shipbuilders said they did not know at this stage whether the action by the ancillary workers would affect the position.

Haverton Hill shipyard on the Tees have called for an urgent inquiry into industrial relations at the yard.

British Shipbuilders has confirmed that a letter, signed by shop stewards representing both the manual workforce and the technical and supervisory staff, has been received by Admiral Sir Anthony Griffin, chairman of British Shipbuilders.

The letter says industrial relations have deteriorated to such an extent that shop stewards have had great difficulty in restraining their members from taking retaliatory industrial action.

It says Mr. George Parker, the company's managing director, had told the workforce that he sees no future for the Haverton Hill yard.

British Shipbuilders will give a formal reply to the national claim, which is similar to the one being pursued by the Confederation of Shipbuilding and Engineering Unions in the engineering industry, at a later date.

Many shipyard workers have already received 10 per cent increases in the present pay round and British Shipbuilders will insist that any new national agreement must be introduced gradually on the anniversary of local settlements.

As the union is strong, many shipyard workers earn considerably

more than the industry's basic rates and benefit from national increases only through improved overtime and other indirect payments.

Members of the Shipbuilding and Allied Industries Management Association—now part of the Engineers and Managers association—yesterday began an overtime ban in support of demands for recognition by British Shipbuilders.

British Shipbuilders has deferred a decision on recognition pending discussions with the Confederation of Shipbuilding and Engineering Unions.

Govan Shipbuilders are to build the last three Polish bulk-carriers, switched to the Clyde from Swan Hunter's Tyneside yards. At a meeting in London yesterday the Confederation of Shipbuilding and Engineering Unions committed itself to tell the Govan shop stewards to go ahead with the £25m. orders.

The stewards had requested such an instruction from the Confederation to try to avoid any conflict with the Swan Hunter workforce.

Govan will now build a total of four 16,500-ton and ten 4,000-ton bulk carriers, the lion's share of the 24-vessel £115m. contract with British Shipbuilders.

Civil Service unions aim to break 10%

BY PHILIP BASSETT, LABOUR STAFF

PAY CLAIMS varying from 14 to nearly 28 per cent were announced by the two biggest Civil Service unions yesterday.

The two unions, the Civil and Public Services Association and the Society of Civil and Public Servants, with a combined total membership of 295,000, are submitting their claims to independent arbitrators.

The Society of Civil and Public Servants, which represents 105,000 members, yesterday submitted their claim for pay increases ranging from 22.4 to 27.9 per cent.

The claim relates to salaries ranging from £1,182 to £11,208 a year and would mean an increase of between £1,166 to £2,821 a year.

The society bases its claim on Employment Department figures that show, it says, the reason why Civil Service pay has fallen behind private sector pay is because of "massive" breaches in the first stages of the pay policy.

Mr. Gerry Gillingham, general secretary of the society, said: "It is a responsible, reasoned and researched claim. There is no question of the Government's ability to pay it."

Didcot rail service complaints

MR. WILLIAM RODGERS, Transport Secretary, said in the Commons yesterday that he was not prepared at present to intervene in the road versus rail row about the freight distribution centre in Didcot, Oxfordshire.

He was responding to complaints from both sides of the House that in the three years Didcot had been opened, it had received only two train cargoes of cars from Cowley because of alleged restrictive practices by lorry drivers.

Coal strike

MORE THAN 4,000 Midland miners were yesterday (Wednesday) laid off because of a lightning strike by 30 winding engineers at the Littleton, Lea Hall, Cannock No. 5 and Granville Collieries, who say they are not satisfied with their share of the Coal Board's incentive scheme.

Recognition

THE ADVISORY, Conciliation and Arbitration Service replied yesterday to criticisms of its effectiveness on union recognition cases by pointing out that, of 1,038 references since February 1, 1976, full recognition had been granted in 300 and partial recognition in another 50. These were references that did not reach the stage of a final report.

Second Rolls work-in

CLERICAL staff at Rolls-Royce aero engines plant at Ansty, near Coventry, began a work-in yesterday after a management decision to suspend them.

The 77 staff belong to the Association of Professional, Executive, Clerical and Computer Staff, the same union as the 50 shop-loaders who have been staging a work-in for the last week.

The clerical dispute is over a claim for re-grading.

Unions count their bonus points

BY CHRISTIAN TYLER, LABOUR EDITOR

THE FACT that miners and power workers both start hard bargaining today on their national wage agreements is a coincidence—but the coincidence underlines the impossibility of regarding the two sets of negotiations as distinct.

The link this year can be summed up in one word: productivity.

The crucial difference, however, is that the miners have already secured productivity payments, free of the Government's guidelines, while the manual unions in electricity supply still have to persuade the Government that they too will qualify.

This suggests that the power workers' negotiations will be much tougher than the miners'. The irony—at least from the power workers' viewpoint—is that their members have registered substantial productivity gains in recent years while the miners, they would argue, have not.

The Government is insisting that in order to remain exempt from its 10 per cent limit on earnings in the current round, new productivity deals must be on an "earn-as-you-go" basis. They cannot, it says, reward past concessions.

The power workers' suspect that the miners have been set "soft" output targets, a feeling

that will undoubtedly have been reinforced by the fact of last week's first payments in the Nottinghamshire coalfield, where, admittedly, seams are good.

Some coalface workers earned as much as £39 extra in a week, compared with the £23.50 set for reaching the standard. The least earned by a surface worker—with whom the power station worker usually compares himself—was £6.50.

With little or no room left for manpower cuts the EPTU has other cards up its sleeve. First, it wants to cancel the 1967 agreement giving management power to move staff freely between jobs and might hope to resell that concession.

Second, there may be room for further flexible working arrangements related to the expected revival of electricity demand.

Or it could press again for staff status for manual workers, invoking an unfulfilled part of the 1967 productivity agreement.

All this is bound up with a feeling that a productivity-conscious industry deserves a high place in the earnings league. Government estimates show that power workers have on the moved up the industrial league that since the industry's 1967 agreement, the manual workforce has dropped from 141,000 to 120,000, but that the rewards for turning average, slipping back

about three points by the following year.

The EPTU argues that the figures under-represent the members' productivity contribution and reflect mainly the fact that the ratio of skilled to unskilled men has increased.

On the same question, the National Union of Mineworkers can, and undoubtedly will, refer back to the 1974 Pay Board award that settled the national strike.

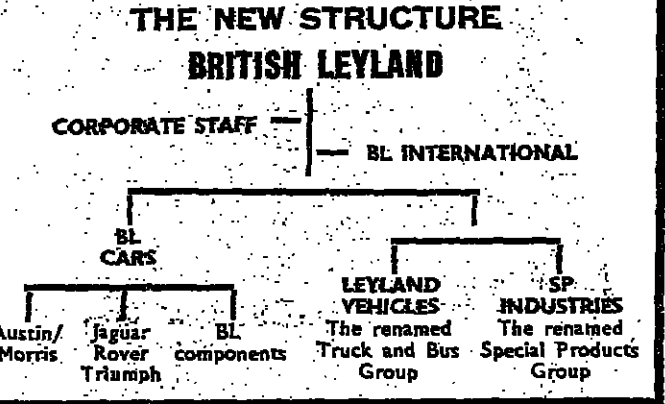
Official estimates are that the miners have not dropped position, but that their earnings, relative to manual manufacturing workers, declined 13 per cent between April 1975 and April 1977.

About a fifth of that fall is attributable to the failure of the across-the-board bonus scheme, now—after much bitter argument—replaced by local incentives.

The extent to which the new bonus pay will offset the decline is unknown, and may not appear until the summer.

The National Coal Board, which could make an offer to the limit of the guidelines today is probably more confident than for many years past that a deal will be reached relatively painlessly.

However, the Electricity Council, a mile away across London, must be less sanguine.



long chains of command, poor performance and very few benefits.

"Too much executive time has been spent on trying to merge once-pride car names like Austin, Morris, Rover, Jaguar and Triumph into one, Leyland Cars. All that has happened in practice is that these names, which should be our major strength have become weak and diluted, while Leyland Cars has become the butt of cartoonists from Tokyo to Detroit."

But Mr. Edwardes insisted the reputation of the marque names could still be rescued and used for all they are worth and they should form the basis of a new car structure.

A new company, BL Cars, would be formed as an umbrella organisation with its own assets and would be the employing company for cars operation. Mr. Edwardes said this decision followed a long consultation by employee representatives for the need to retain a central unit as a focus for labour relations policies.

Senseless

"A great deal of effort has been made to introduce common bargaining rates and sensible wages policies throughout the car factories. It would be as wrong and senseless to throw away seven years' work in this direction."

Beneath BL Cars three subsidiary companies would be created: Austin Morris, with responsibility for volume cars; Jaguar Rover Triumph, embracing specialist models; BL Components with responsibility for parts, foundry, the SU/Butee business and the body operations.

BL Cars would have an overall model strategy. The functions of long-term product planning and advanced engineering (projects between five and 15 years away) would be

Executives and unions satisfied

MR. S. M. JAMES-MOORE, plant director with 17 years' service with Leyland, said: "After all the uncertainty, what Mr. Edwardes had to say boosted my morale and belief in the future of the company. Many of my colleagues felt the same."

Other senior executives, who had been uncertain how the stewards would receive Mr. Edwardes' blunt appraisal of the problems, said they were relieved at the lack of criticism.

One executive summed up their feelings: "Everyone seemed to recognise that this was a watershed. We either go forwards, or down."

Mr. Percy Duffy, Amalgamated Union of Engineering Workers national executive member for the Midlands, said: "Mr. Edwardes has clicked. It's go,

go, go for British Leyland. He has given a realistic programme and won the confidence of the vast majority."

Mr. Duffy declared that the "conditions are right for us to forge ahead in a joint programme for the future."

Mr. Eddie McGarry, vice-chairman of the Leyland Shop Stewards' Committee, said that the resolution called for "all hands to the pump."

The stewards will report back to shopfloor meetings at all Leyland factories this week and Mr. McGarry said he was "quite sure" they would accept the demarcation—if it was achieved by natural wastage or voluntary redundancy.

Mr. McGarry added: "It is perfectly clear that we are running

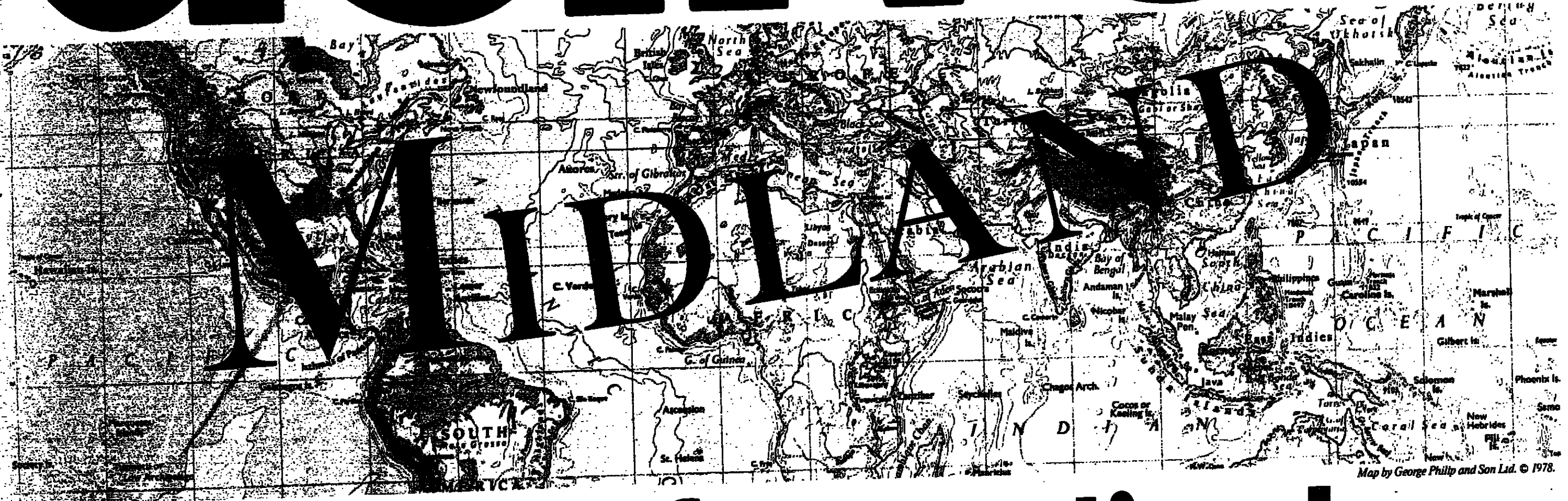
out of chances and this could well be the last chance we have to resurrect the flagging fortunes of Leyland Cars. I think the bulk of our membership will applaud the resolution."

Mr. Roy Fraser, the Toolmakers' leader, described the meeting as a "great personal triumph" for Mr. Edwardes. "I think everyone appreciated his frank approach, telling the blunt truth."

Splitting Leyland Cars into three companies would shorten the chain of command and produce a greater sense of identity between workers and their product.

Mr. John Barker, a Transport and General Workers Union official in Birmingham, commented: "We recognise that we are at the crossroads and that this man who has pledged him-

We deliver



A range of International services no other bank can offer. Competitively.

International Finance. Competitively.

Short-term and fixed rate medium-term finance covered by ECGD guarantees.
Negotiating or discounting bills, Acceptance credits, Eurocurrency finance, Export factoring.
International leasing and Instalment finance.

International Branch Network. Competitively.

Being the exclusive U.K. member of European Banks International (EBIC) Midland can offer their clients the complete facilities of seven major independent European banks with 10,000 branches throughout Europe and a world-wide network of joint ventures.

International Transfers. Competitively.

Foreign exchange, spot and forward contracts.
Clean payments, mail transfers, telegraphic transfers, drafts.
Bills for collection, documentary credits.

International Corporate Travel. Competitively.

Exclusive to Midland, direct access to the world's largest travel company—Thomas Cook—a member of the Midland Bank Group.
The fastest growing company in business travel providing the most comprehensive business travel service including foreign

exchange in 150 currencies, travellers cheques, V.I.P. Service cards and 870 offices in 145 countries.

International Merchant Banking. Competitively.

Exclusive to Midland, direct access to the complete facilities of Samuel Montagu, a major Merchant Bank, including bullion dealing, the issue of Eurobonds and operations in the Primary and Secondary bond markets.

International Insurance. Competitively.

Every aspect of insurance and reinsurance.

International Marketing Services. Competitively.

A range of marketing and commercial services through the London American Finance Corporation Group, operating in over 100 countries.

Information on regulations, tariffs, documentation procedures and exchange control.

To ensure your company makes the most of its international opportunities, you really should talk with us.

For a prompt answer, contact George Bryen, tel: London 606 9944. Telex 888401 or contact any of our branches throughout the U.K.

TEST US.

Midland Bank International Delivers.

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN. Tel: 01-606 9944.



THE JOBS COLUMN

Loggerheads over prospects • Quartet for watches

BY MICHAEL DIXON

NUMEROUS callers tell me that the state of the United Kingdom economy six months hence can be predicted with fair reliability from the present state of the country's executive employment market. The reason, they say, is that organisations with the most sophisticated economic intelligence operations also plan their manager-recruitment well ahead.

The Jobs Column is, of course, grateful to know of the theory. Before proceeding to accurate predictions of the future, however, I have one small problem. It is how to determine what is going on in the executive employment market now.

Although this year I have delayed my look at managerial job prospects until the market recovered from its post-Christmas turbulence, my checks among professional recruiters show them still at loggerheads in their forecasts.

On the sad hand, we have Harry Roff of MSL declaring that, on past experience of movements in demand for executive types, it could well already have passed the peak of its recovery from the abyss of 1975. Even if the market has changed its behaviour, the best he can foresee is a distinctly sluggish overall increase over the next few months.

Among the gloomy I must

also include Geoff Crosby, of the Government-sponsored Professional and Executive Recruitment agency, even though he is chuckling about PER's own performance. With increased billings, the agency's hitherto heavily subsidised recruiting and continuing proneness to up-activities now seem sure to produce about £3m. income in the year to March 31. So while PER's welfare work such as counselling will still be taxpayer-financed to the tune of £2.6m., its "commercial" services should show a marked improvement on the previous year's £300,000 deficit, if not actually breaking even at long last.

But, when forced to look beyond his private glee to the likely U.K. demand for managerial workers in general, Mr. Crosby also expects at best a marginal increase.

Take for a third example Ken Hampton of PA Management Consultants. In a lecture to the Royal Society of Arts last night, he was bold enough to estimate the total cost of executive recruitment in the U.K. at £150m. a year. But there is no boldness about his expectations of demand for executive bodies.

He sees no reason why this year should be better than last. And he can see several reasons why it might be worse.

These forebodings, shared by several fellow-pessimists, in-

clude a reduction of managers movement between jobs, and so of employers' need for replacement; as a result of an easing of pay restraint; the expected adverse effect of sterling's recovery on export expansion; and continuing proneness to upsets in industrial relations.

The executive jobs market appears now to be very sensitive to shifts in business confidence, which in turn seems extremely edgy about industrial disputes. Demand for managers dipped to mark the power industry trouble last autumn. It reflected to the firmen's strike before the Government substantiated its promise of resistance. And a faltering noted by some consultants over the past ten days or so is thought to be connected with the threatened action by petrol-delivery drivers. Which passes us from the sad hand to the glad hand.

When talking about these fluctuations in demand, the optimists concentrate not on the market's dips, but on the way it has swiftly recovered from them. In general, they seem to interpret this as a sign that the underlying trend of confidence is upwards.

Although I wouldn't say that there is bullishness everywhere, or that a biting industrial dispute couldn't crush what there is, the evidence reaching me is encouraging," says Philip Egerton, soon to leave the Inbucon-AIC consultancy to set up on his own.

But we are continuing to get assignments to replace

people who have left, and were also getting more work to find new people required for planned expansion. So, with the obvious caveat about strikes and so on, I'd say there are good times ahead."

The same view is held by Terry Ward of Brook Street Executive. "From what I see, there's more recruitment work available than for a long time past. Of course, we're relatively small and, I'd claim, more flexible than bigger consultancies tend to be."

"So possibly the demand from employers is getting increasingly channelled through smaller consultancies that can gear themselves to setting up a suitable shortlist of candidates quickly. After all, if companies have a pretty specific idea of the type of personality and skills they need—and I find they now tend to be much clearer than they used to—they don't want to wait three or four months for a short-list."

Possibly, however, the most striking difference between the optimists and the pessimists among the consultancies I checked, is that the bulls were largely concerned with recruitment at salary levels of at least £8,000 upwards. This suggests that the 1978 demand for a manager's services may depend to an important extent

on his or her place in the pay hierarchy.

If so, people in the £4,000-£8,000 bracket—with the likely exception of apparently scarce specialists in electrical, electronics, and instrument engineering and, as usual, accountancy—will probably have to resign themselves to a fairly thin market. The 1978 race, unless it is called off by some confidence-killing action, will most probably go to those who have been swift in the recent past.

That is the only even hazy conclusion I would risk drawing from my start-of-the-year spot check on recruiters' expectations. And as for the theory which I mentioned at the beginning—if the state of the U.K. executive jobs market now were a reliable predictor, then the only word that would describe the state of our economy six months hence is "confused."

By contrast, the sample of recruiters expected a generally continuing plenteousness of demand for British executive types to work overseas. According to some of the sample, however, there has of late been a reduction in the willingness of British candidates to leave this country.

While this may indicate a general slowing of the boss loss, it does not mean that there will be an insufficient supply of

ready and willing British candidates to meet the expected overseas demand, especially among younger managers still in the salary mark. And Geoff Crosby of PER, in particular, is emphatic that while interest in overseas jobs may be turning down, it is doing so from a very high level.

About one in every three of the thousands of job-seekers on PER's books are still expressing their willingness to work abroad.

Similar pay—but plus commission—is likely for two people who are wanted on the marketing side. The first is a special accounts manager in the U.K. whose managerial duties will be combined with a hefty slice of personal selling, particularly to retail-store groups of various kinds in this country. Experience of that type of market seems to be more important than technical experience.

The same broad qualification applies to the company's new job for an export sales manager. As far as I can gather, no particular area of the world has been marked out for the newcomer. Trafalgar seems to market abroad by selling in bursts in countries where prospects seem best: Germany currently, for instance, and possibly Scandinavia next. So this is clearly no job for the bureaucratic brand of export specialist.

The fourth opening is for a manager of the company's department dealing with servicing. Once again, successful experience of the same type of activity is more important than knowledge of watch technology. The salary indication is £4,000-£4,500.

Applications should be sent to Mr. Herrmann at Trafalgar House, Grenville Place, Hale Lane, London NW7. Telephone inquiries to 01-906 0311.

Bulk order

THERE HAPPILY cannot be much doubt about the confidence of Michael Herrmann, managing director of Trafalgar Watch, because he is urgently seeking an assortment of four people to expand the company's output and sales of electronic timepieces.

With big extensions of manufacturing capacity coming into work, he wants a production manager with experience in semi-conductors and knowledge of the methods of wirebonding. This job will also include responsibility for research and development, and like the others will be based on London. The salary is expected to be around £8,000.

Phillips & Drew

Chemicals/Pharmaceuticals

Phillips & Drew are seeking an analyst with some experience of the chemical and pharmaceutical industries in order to expand their coverage of these sectors. The successful applicant will join a department with a high reputation in the City and in industry. Remuneration is competitive and there is scope for rapid advancement for the successful. Benefits include a profit-sharing scheme and a contributory pension fund. Please apply to the Staff Manager:

Phillips & Drew
Lee House, London Wall, London EC2Y 5AP

Butler

MANAGING DIRECTOR

A dynamic, qualified engineer is required to lead the future expansion of this profitable machine tool manufacturing company. The company operates autonomously within the B. Elliott Group. Applicants must have extensive practical engineering experience, financial acumen and be sales orientated.

It is unlikely that the successful applicant would be in excess of 45 years of age.

Salary and commission will not be less than £15,000 p.a.

Apply in confidence to: The Chairman
The Butler Machine Tool Company Ltd.,
Mile Thorn,
Halifax HX1 4ER
West Yorkshire.

NEWLY QUALIFIED ACCOUNTANT

London SW1 circa £7,000

Our client, a specialist financial services company, itself part of a large group, can offer an unusual opportunity within a demanding but highly rewarding environment.

As a member of a small highly skilled team, the successful candidate will be groomed to develop an expertise in tax planning, cash control, general management and related areas of finance and accounting.

Applicants, male or female, should be qualified accountants seeking to progress their career with a specialist service company and in particular, they should have an interest in developing a tax expertise. They must be quick thinking, have the ability to communicate at all levels and generally possess a professional, committed approach.

For further information telephone, or if you prefer write to, Nigel V. Smith, A.C.A., quoting reference 2073.

Commercial/Industrial Division

Douglas Lambie Associates Ltd.,
410, Strand, London WC2R 0NS. Telephone: 01-536 9501.
121 St. Vincent Street, Glasgow G2 5HW. Telephone: 041-226 3101.
and in Edinburgh.



Gas and Gas Liquids Specialist

London based

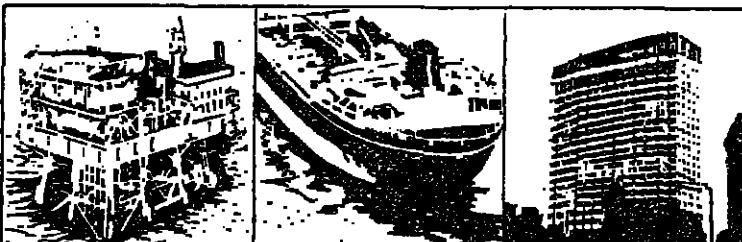
Phillips Petroleum Company Europe-Africa is an integrated oil company producing large volumes of natural gas both in the Norwegian and UK sectors of the North Sea.

The vacancy is for a specialist who will become involved in all technical and commercial aspects of the purchase, transportation, processing and sale of natural gas and gas liquids, including negotiating, drafting contracts and making project development feasibility studies.

Applicants should be graduates in engineering or science who have an additional business/economic education, 5-7 years related experience and the initiative and drive to operate successfully in an

international environment. The ability to speak a European language would be an obvious advantage and freedom to travel is essential.

The salary will be highly competitive and other benefits would be as you would expect from an international company. Write or phone for an application form to Philip Peters, Recruitment Officer, Phillips Petroleum Company Europe-Africa, Portland House, Stag Place, London SW1E 5DA. Telephone 01-828 9766 Ext. 463. If more convenient use our 24 hour answering service on 01-828 8993 and quote ref: P122.



CONTROLLER OF FINANCE AND ADMINISTRATION

South Coast £10,000 plus

Our client, a substantial company with an internationally known name in the consumer industry, is seeking a Chartered Accountant aged around 40 to head its finance and administration division.

The Controller will have responsibility for all accounting matters and related data processing functions, including financial planning and control systems. He or she will be appointed Company Secretary and will report to the Managing Director.

Candidates will already be holding a senior financial post and will have gained broad experience in a modern accounting environment. A knowledge of French would be an advantage.

Initial interviews will be held in London. Please send brief personal and career details, in confidence, and quoting reference A76, to:-

D G Mizon
Whinney Murray & Co
57 Chiswell Street
London EC1Y 4SY



Trainee Investment Analyst

The scale of our business makes us the biggest institutional investor in the country and we need a large professional staff to research into and manage our portfolio of investments.

We have a few vacancies now for Trainee Investment Analysts. The ideal candidates will have a degree in Economics with a Mathematical flavour, but other graduates will be considered according to aptitude.

Starting salary will depend on the class of your degree. A London Allowance, Christmas and productivity bonuses are also payable. You will work at our London Headquarters in Holborn.

For full details, please contact Sue Branden, Staff Department, Prudential Assurance Co. Ltd., Holborn Bars, London EC1N 2NH. Tel: 01-405 9222 Ext. 2474.

Prudential

Senior Executive

U.S. Corporate Research and Sales

The company is a relatively young but well funded and profitable international stockholding and investment banking firm. It specialises in the development of institutional business in the United States and Far East, through offices in the U.K., U.S. and South East Asia. Company growth is rapid and is a firm record of the level of expertise of the team.

A direct result of the expansion is the need for a young man or woman with entrepreneurial flair, considerable confidence and the ability to make a mark with the most senior corporate executives. The post, which is London based, offers an unusual and satisfying combination of undertaking investment research into U.S. companies, and making recommendations to U.K. and Continental investors at first hand. Vital qualities include numeracy, commercial intuition and a good all-round understanding of U.S. and World economic factors. Candidates would most probably have experience in securities sales, or a background of Law, Accountancy, Merchant Banking or Economics with a preferred age range of middle twenties to early thirties.

Career prospects for a self-starter, able to work in a small team, are excellent. Starting salary is negotiable but would probably lie in the £8,000 to £10,000 range, depending on age and experience, with annual performance-related bonuses and the prospect of equity participation in due course. The successful candidate should be prepared to travel overseas, including regular trips to the United States.

Applicants should write with full details of education and career, quoting reference 908. Letters will be forwarded to the client by our Security Manager with the strictest confidence.

Charles Barker-Coulthard

30, Farringdon Street, London, EC4A 4EA.
Telephone: 01-236 0526

Credit Manager

Kuwait
Tax Free
Appointment

Upwards of Equivalent to £15,000 plus other benefits

A major commercial and engineering group with a work force already in excess of 2,000 and equipped with an NCR-Century 201 Computer with on-line facilities requires a Credit Manager to supervise the operations of its "in house" H.P. Credit Department, having a portfolio in excess of £30 million and also other credit facilities.

The successful candidate will probably be between 30 and 45 years, ideally with an appropriate Accountancy/Credit qualification, and must have an adaptable and responsible personality.

You must have had extensive experience in the consumer finance field, including several years in a similar capacity in the U.K., either with a finance house or an "in house" Credit department. You should also be accustomed to computerised records with on-line terminal units.

Terms of employment include renewable contracts of two years duration, assisted house rental and furnishing, a free company car and the highly attractive tax free salary will provide an opportunity for exportable savings.

Telephone: Barbara Bailey,
London (01) 235 7030.

PER
Professional & Executive
Recruitment

Applications are welcome from both men and women.

FINANCIAL DIRECTOR

A small progressively expanding Company requires a young, qualified person with a good business acumen to control the Company's expansion. Must have good knowledge of cash flow control, investment, and, above all, be prepared to work hard.

Salary commensurate with experience and ability.

Write Box A 6247, Financial Times,
10, Cannon Street, EC4A 3DF.

Financial Times Thursday February 2 1978

An opportunity for an Accountant to move into Stockbroking

London E.C.2 Up to £7,000
A major firm of Stockbrokers wishes to recruit an ambitious young Chartered Accountant (22-28) to strengthen its successful equity team which specialises in prime investment areas with an emphasis on the expansion of business activity. The successful applicant will probably be a graduate trained with an international practice, able to communicate effectively with institutional clients and to demonstrate an unusually high degree of self-motivation and enthusiasm. The firm offers excellent training facilities; previous Stockbroking experience is not essential.

Telephone James Wheeler on 01-588 5105 for further details or write to him enclosing a curriculum vitae to **CAREER CARE EXECUTIVE** (Recruitment Consultants) 4742 London Wall, London, EC2M 5TB

career care Executive

Financial Director From £9500 + car

Gardiner Alumin, a recent acquisition by the Alcan Group, is being integrated with Alcan Booth Systems, within the Group's Finished Products Division, and the new organisation will specialise in the design, production and marketing of prime and replacement aluminium windows, doors and solar panels.

We seek a Financial Director to play a vital role in the integration and development of the re-organised company's financial and management accounting procedures, as well as making a significant contribution to its anticipated long-term growth. Annual turnover is currently in excess of £10 million.

In the new appointment, reporting to the Managing Director, the successful candidate will manage an established accounting team of about 30 and be responsible for providing, to tight deadlines, a comprehensive service for budgets, forecasts, management information, credit and cost control. Advice and assistance in the development of computerised accounting systems will also be involved.

Candidates, aged 30+, should be chartered accountants with good operating experience at management level, ideally gained in an industrial or manufacturing environment. The ability to motivate and implement change, plus managerial and leadership skills, are essential.

Salary is negotiable from £9,500. Above-average benefits include executive car and generous assistance with re-location expenses where appropriate. Development prospects are excellent and group-wide. Location is an attractive rural setting in Weston-super-Mare.

Please telephone (01-629 1844 at any time) or write - in confidence - for information, R. L. H. Whitney ref. B.7851.

This appointment is open to men and women.

MSL Management Consultants

Management Selection Limited
17 Stratton Street London W1X 6DB

Insurance Sales Manager

Madrid Circa ptas 1.2m

Legal & General require a Sales Manager for their Spanish Branch based in Madrid. You must have a sound knowledge of Life marketing and sales with at least 3 years experience in the Spanish or South American market.

You would:
• control our existing network of Life and non-Life agents,
• develop the network,
• establish and implement a marketing strategy through the designing and selling of suitable Life and non-Life products. You should be British or Spanish, aged up to 50 years and speak fluent Spanish.

Remuneration is negotiable but basic salary will not be less than ptas 1.2m with the fringe benefits and expenses you would expect from a major company.

Please write with brief details to:
David Martin,
Personnel Manager (London),
Legal & General Assurance Society Ltd.,
Temple Court,
21 Queen Victoria Street,
London EC4N 4TP.



Financial Controller Lagos, Nigeria cN 22500 (£19,500 approx)

Our client the major subsidiary of an international trading organisation is seeking to fill this important post in the senior management team. With a turnover in excess of £300 million and widely diversified interests, it will be seen that this position offers challenging prospects for the person who is appointed.

Responsibilities are wide spread and include financial control and advice to the Board, development of computerised systems, management audit and administration.

The successful candidate will be a Chartered Accountant or equivalent with a proven record of achievement in financial management at a senior level and involvement in the corporate management of a diversified company.

Experience overseas would be an advantage but is not essential.

Other benefits include free housing, car, medical cover, free air passages, education allowance and two months leave per annum.

Applications giving brief personal and career details to Position Number BPF 306, Austin Knight Limited, 35 Peter Street, Manchester, M2 5GD.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

ACCEPTING HOUSE REQUIRES AN EXPORT FINANCE BANKER

to develop their existing substantial Export Credit and Project Finance business.

The person selected will be able to demonstrate proven experience in these fields and will possess the ability to handle complete development packages which may well include export and related financing from a number of countries as well as equity sources.

A five figure salary, with fringe benefits reflecting the important nature of the position, will be offered.

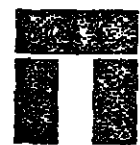
The position will suit someone used to working in a rapidly developing environment. A flexible yet mature outlook is more important than formal qualifications although a working knowledge of at least one European language would be desirable.

There is also a second vacancy for a less well qualified banker, to work partially upon project financing and partially upon the Bank's expanding trade portfolio.

Initially, applications should be sent with full career details to

kh KH ADVERTISING LIMITED (REF E.F.B.),
37 FLEET LANE, LONDON EC4,
indicating any organisations to whom you do not wish your applications to be sent.

KIDDER PEABODY SECURITIES LIMITED INTERNATIONAL FIXED INCOME SALES



Kidder, Peabody Securities Limited, one of the leading specialists in the Eurobond market has a vacancy for an additional Sales Executive. He/she will complement one of the most experienced Eurobond trading teams with the full backing of a highly sophisticated fixed income research and advisory department. A thorough knowledge of fixed income securities is a pre-requisite, although this could have been acquired in markets other than in the Eurobond sector. This appointment, therefore, could appeal to U.K. gilt-edged or industrial debenture specialists.

The successful applicant will service some of the world's largest financial institutions and will liaise closely with our net-work of international offices. Fluency in another language would be advantageous, but is not essential. The initial salary will be highly competitive and overall earnings should increase rapidly within a short period.

Please reply, enclosing a brief curriculum vitae, to:
Mr. Robert G. L. Smith, Managing Director,
Kidder, Peabody Securities Limited,
99 Bishopsgate, London, EC2P 2LA.

EXECUTIVE POSITIONS WORLDWIDE

EXECUTIVE EMPLOYMENT BULLETIN TECHNICAL
A McGraw-Hill weekly airmail bulletin for engineering and from England transcribes verbatim technical executive from leading European and U.S. jobs to which anyone newspapers and direct sources regardless of nationality dozens of management recruit may apply.
ment advertisements of Verbatims for both bulletins positions suitable for include name and address of internationally minded advertiser, name and date of executives.
newspaper.

UK - posted First Class - 13 weeks for £15.00 prepaid.
Elsewhere - posted Airmail - 13 weeks for £40.00 prepaid.
Mailing envelope marked "Confidential".

Order with cheque specifying which bulletin you require to:
INTERNATIONAL MANAGEMENT EMPLOYMENT BULLETINS
Box 148 McGraw-Hill House, Maidenhead, Berkshire SL6 2QL, England.

MARKETING MANAGER

To handle home and export sales promotion for a division of a successful medium-sized public company based in Lancashire, producing special process plant, dryers, coaters, laminators, etc. Terms of contract negotiable for the right applicant.

Write Box A.6248, Financial Times, 10, Cannon Street, EC4P 4BY.

DIRECTOR and CONTROLLER

Scope and challenge abound in this new appointment to the main Board. It is central to the business of this rapidly expanding and successful British group which is poised to double in size quickly. Growth at home and overseas by acquisition, joint ventures, and licensing is the route. Interests are diverse including chemical processing, merchandising and distribution which currently operate through 14 profit centre subsidiaries and 6 associated companies.

Board responsibilities are broad and will include accounting for profit, balance sheet management, appraisal of opportunities, planning, and full involvement in policy and key decision making.

Proven success in the total finance function is required within a technically based group. Particular emphasis will be placed on the financial control function through the development and operation of integrated management information and control systems (manual and computer based) that focus the opportunities that management of subsidiary companies have to improve profit and reduce costs.

A qualified accountant is required and a science degree advantageous. Experience in companies which have exploited opportunities successfully from marketing efficiency and technical proficiency is sought and in which the standards of performance are stringent and the tempo fast. A background in the process industry or international chemical plant contracting would be relevant.

Age: mid 30's. The salary indicator is £15,000 with attractive conditions of service including car provided. Location: Midlands.

Letters from suitably qualified men or women, should include a curriculum vitae including salary progression to date which will be handled in confidence by Dr A.G. Roach.

ROACH

A.G. ROACH & PARTNERS,
8 HALLAM STREET, LONDON WIN 6DJ

Portfolio Administration

Vacancies in City Merchant Bank

Due to expansion, Robert Fleming Investment Management Limited, a leading Investment House, has vacancies in its Portfolio Management Department for administrative account supervisors to assist in the day-to-day management of clients' portfolios. Applicants aged 19 to 26 should have Stock Exchange or Banking experience.

Vacancies also exist in the Tax and Trustee Department, age immaterial, and for young clerks in our Securities Department. Any previous experience an advantage.

Attractive salaries with worthwhile fringe benefits are offered.

Apply: Tom Phillips, Robert Fleming & Co. Limited
8 Crosby Square, London, E.C.5. Tel: 01-658 5858.

ROBERT FLEMING



Taxation Accountant

London—City From £8,000+car+benefits

Our client is a multi-national group with diverse interests and an annual turnover approaching £2,000m. It now wishes to strengthen its established Taxation Department at the London-based headquarters. The appointee will be responsible to the U.K. Taxation Manager for the preparation of the taxation provisions of the U.K. companies and the submission and agreement of computations with the Inland Revenue. Candidates should have at least three years' proven corporation tax experience and be able to discuss all relevant aspects of taxation with the senior management of the group. Some U.K. travel will be necessary.

Applications to Miss Marion Williams

Reginald Welsh & Partners Limited.

Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387

Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

GENERAL BANKING MANAGER c. £15,000
VICE-PRESIDENT STATUS + usual benefits
A prominent regional American bank opening in the City requires a person experienced in international banking operations, personnel, administration and Bank of England reporting. Some commercial credit background is necessary. Age: 40/50.

Contact: Mike Pope

STERLING MONEY BROKERS £ Negotiable
A leading firm of money brokers requires two fully-experienced Inter-Bank brokers aged 25-35. Excellent terms are negotiable.

Contact: Mike Pope

CHARTERED ACCOUNTANT CORPORATE FINANCE to £7,000 +
A well-known merchant bank wishes to engage a Chartered Accountant with two years post-qualifying experience. The appointment is within the Corporate Finance Department, and further training will, if necessary, be available to the successful applicant. Preferred age range is 25-27.

Contact: Richard J. Meredith

CHARGED SECURITIES £3,500 +
A leading merchant bank wishes to recruit an ambitious, well-educated person with a clearing-bank background. Applicants should presently hold Grade III Status, or possibly be a recently-promoted Grade IV; the level of experience required is a good grounding in general banking with an introduction into securities work, preferably including a bank-arranged course, coupled with good progress in the A.I.B. examinations. The successful candidate will enjoy excellent prospects of advancement to an executive position within the lending field.

Contact: Richard J. Meredith

170 Bishopsgate London EC2M 4LX 01-623 1266 7/8 9

Manager Budgets/Planning c.£10,000+important benefits

We seek an executive with strong European experience and outlook to co-ordinate and control budget operations, develop and monitor business information systems. He or she will report to the Chief financial executive in a major European service company, part of a large international finance group.

You should have a degree in business administration, economics, accounting or mathematics with good financial experience. 3 years plus in budgeting or planning at senior level; previous management experience in multi-national business; and a service/finance industry background are each and all desirable. Age 30-35.

Above average benefits include good mortgage assistance and car. Career prospects significant. Please write with fullest, but concise personal detail, or phone within 3 days for application form.

MR Management Resources
45 Conduit Street, London W1
Tel: 01-437 9978/9 Telex 915100.
AMERICA - ASIA - AUSTRALASIA - EUROPE



Senior Deposit Broker

SINGAPORE

Charles Fulton (Singapore) Limited, one of the longest established currency brokers in South East Asia, has a vacancy for a Senior Deposit Broker to head its dollar deposit operations in Singapore. They will be involved mainly in deposits and extensive experience in this field is essential. A working knowledge of Foreign Exchange would be an added advantage.

The ideal person will probably be married, aged approximately 30, and have not less than 4 years' broking experience in dollar deposits in the London market.

The appointment in Singapore is for a fixed period of 2 years, after which time, the proven person would have excellent opportunities to continue their career at a senior level in the Group. The Company considers this to be a most important appointment, which will therefore attract a competitive salary commensurate with the seniority of the position. Obviously, the usual overseas housing and medical benefits etc. will apply.

Please write, giving full details, to: E. H. N. Davies, Deputy Chairman,

Charles Fulton & Company, Limited

34-40 Ludgate Hill, London EC4M 7JT.

Manager-Internal Consultancy

Qualified Accountant 35-40
London based to £14,000 plus car

This vital post has arisen through promotion within a function which is recognised as providing excellent and varied prospects of career advancement. Our client is a multi-national manufacturer and distributor of business equipment and supplies. The successful candidate will manage an important function in the internal consultancy providing international management, at all levels, with a

professional appraisal of operational methods in marketing, manufacturing and supply. He or she will control 20 qualified staff through 3 managers. Applicants, aged 35-40 and qualified accountants, will have had significant line management experience at Plant or Divisional Controller level. International experience preferred, as up to 50% of time will be spent at UK and European locations.

N.P.S. Lilley, Ref: 22038/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

THE PLEASURE OF YOUR COMPANY IS REQUESTED AT
THE CAFE ROYAL, REGENT STREET, 4.30-5.00, THURSDAY 2nd
To Informally Discuss Your
CAREER OBJECTIVES
Over a Glass of Wine
R.V.P. - ANDREW SWIFT 01-437 3811
GRADUATE APPOINTMENTS LTD.,
54-62 Regent Street, W.1.

GA

Leading firm of Stockbrokers

specialising in the Gilt-Edged market is seeking someone to lead its gilts research. The successful applicant is likely to be aged between 30 and 35 and should possess a mathematical or actuarial qualification. Applicants should have at least 4 1/2 years' experience of the Gilt-Edged market and be able to communicate lucidly.

The appointment will also entail responsibility for the firm's regular statistical services.

The successful applicant, male or female, will not be required to participate in selling but will be expected to maintain direct contact with institutional clients on matters of a technical nature.

The salary will be competitive and prospects are good. Applications will be treated in the strictest confidence and should be sent to Box No. RD 4396, c/o Exel Recruitment, Pemberton House, East Harding Street, London EC4A 3JD.

They promised you'd make an F/X Dealer... but it hasn't happened yet!

We are one of the top companies in the U.K. computer services business - and also part of an international network.

Our major clients include leading clearing, foreign and merchant banks and other financial institutions in the City of London who use us for a variety of computer applications including on-line foreign exchange systems, credit evaluation and financial management systems which are widely acknowledged as being the best available.

Expansion of these services into new areas within banking creates an exceptional opportunity in our customer support team for a young, ambitious man or woman. This position involves working closely with our clients, advising them how they can make best use of our services and then supervising all the aspects of the installation of their systems. It offers a stimulating change from a mundane desk job to a more challenging and rewarding career.

If you are the right person, we will train you extensively both in the use of computers

and our specialised products for the banking community and learn how our customers benefit from our services.

We would like you to be aged 23-27, ideally with a degree, and have 3 years' experience of Foreign Exchange Operations, preferably with a foreign bank. Some involvement with on-line computer systems would be useful. But equally important is a keen desire to change your career course and the confidence and potential to succeed in a professional marketing environment.

We value your foreign exchange knowledge and will pay you up to £8000 p.a. Our attractive benefits include Company car expenses, BUPA, pension/life assurance scheme etc.

We are a young organisation - individually and as a Company. If you are seeking a dynamic activity where personal effort is encouraged and rewarded please write to Nicholas Birles on 01-222 5665 or write to him at:

Comshare Limited,
32-34 Great Peter Street, London SW1P 2DB.

COMSHARE
making the computer make sense

ABU DHABI INVESTMENT AUTHORITY MANAGER

Money Market & Short-Term Investments

The Finance Department of the Abu Dhabi Investment Authority requires an experienced individual for this challenging senior post. The appointee will be responsible for managing deposits and short-term investments in a variety of currencies plus certain other duties.

Candidates should be over 30 years old and should have obtained a professional qualification. They must have had at least five years practical experience in analysing and managing short-dated investments.

Candidates must be prepared to live in Abu Dhabi. The contract will be for a minimum of two years, renewable thereafter. Salary is negotiable and free of tax in Abu Dhabi. Free accommodation, transport and medical facilities will be provided.

Please write or telephone for an application form, quoting ref. 906/FT to:

W. L. Tait,

Touche Ross & Co., Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644.

Bank Management

London W1

C. £10,000 - £12,000

An International Bank with a very impressive growth record in the UK is seeking a person with exceptional management ability and sound general banking experience to be responsible for its Branch in the West End of London.

Candidates probably aged between 35 to 45 will be completely familiar with the Sterling and European currency markets. The Branch's area of activity is mainly domestic but also includes international trade.

Our client is seeking a person who will be able to make a major contribution to the continuing success of the Bank and in turn can expect an excellent and rewarding career.

Applications in the strictest of confidence should be addressed to
Hugh Harvey, quoting Reference No. 275



**Lloyd Chapman
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

International Banker

A leading international bank, with a well established and expanding London operation, seeks a commercial banker to be responsible within a defined sphere for the control of existing credits, the extension of credit and the development of new business in sterling and other currencies.

Candidates, aged 30 to 40, must have experience in the above fields in an international context, including a thorough knowledge of corporate finance and traditional banking transactions, and be accustomed to negotiating at senior level in major international corporations. Knowledge of French would be an advantage.

Salary negotiable into five figures. Profit sharing and extensive other benefits.

Please send relevant details - in confidence - to P. Hook ref. B.26386.

This appointment is open to men and women.

MSL Management Consultants

Management Selection Limited
17 Stratton Street London W1X 6DB

NATIONAL UNIVERSITY OF LESOTHO

Applications are invited for 2 posts as **LECTURERS IN SENIOR LECTURESHIP** in the DEPARTMENT OF ACCOUNTING AND COMMERCIAL, commencing in August 1978. Applicants should be qualified to the main specialisation in accounting and finance, be able to offer a subsidiary discipline in the field of business law, and have a minimum of 5 years' experience in the field of teaching. Salary scales: Senior Lecturer R5,000-R6,324 p.a.; Lecturer R3,824-R5,376 p.a. (121 sterling = R1,677). The British Government may supplement salaries in range £2,010-£2,772 p.a. (sterling) for married couples, and £1,650-£2,150 p.a. for single applicants. Reviewed annually and normally free of all tax, and provide children's education allowances and holiday visit passages. Terms of service include non-contributory superannuation for appointments on permanent terms of service. Those on contract terms receive 25 per cent gratuity in lieu of superannuation for the first two years of the contract, rising to 27 per cent and 30 per cent for each subsequent and similar period of service. There is a 15 per cent discount allowance for established non-qualifying for any superannuation scheme. Family package: housing allowance; reasonable rental of accommodation; education allowance for children; medical and dental services; repatriation and vacation and study leave. Detailed applications (2 copies) including a full curriculum vitae and the name of a referee should be sent to the University Council, 50-55 Tottenham Court Road, London W1P 0BT. Further particulars may be obtained from either address.

Company Secretary

Birmingham

required for public company parent of medium-sized engineering group based in Birmingham. The person appointed will probably be a Chartered Secretary, under 40 years of age, who has had some experience at a senior level in the secretariat of a large company or in a professional office.

Duties will principally embrace statutory duties, legal matters and advising group companies on commercial and industrial legislation. A successful participation in the management team will lead to advancement.

Salary will be negotiable, the post is pensionable and a company car will be provided.

Please write with full personal career details, which will be treated in strict confidence, and salary required to:

Box F1/512, c/o Hanway House,

Clark's Place, Bishopsgate, London EC2N 4BJ.

TAXATION FAMILY COMPANIES CIRCA £10,000

The City office of a firm of Chartered Accountants requires an experienced Chartered Accountant to assist the Tax Partner in supervising the Tax Department and dealing with the tax problems of Family Companies, Individuals and Partnerships. A thorough knowledge of corporate and personal taxation including C.T.F. will be required.

Please write to Box A6244, Financial Times, 10, Cannon Street, EC4A 3BY.

All replies will be treated in the strictest confidence.

SENIOR EXECUTIVES

INTEREXEC gives positive assistance to Executives seeking new employment or to improve or change their careers. Where to start looking for a job. Which Agencies can help? How to find unadvertised vacancies? What are conditions like in the Middle East? How to succeed at interview? How to find the right job at the right salary? INTEREXEC maintains all the information you need, provides a comprehensive advisory service and does all the ground work of job hunting for you, enabling Executives to explore the market with confidence, and to secure the right appointments faster.

Why waste time? Phone for details:
THE INTEREXEC REGISTER LTD.,
The World Trade Centre, London E1 9AA.
Tel: 01-483 2490 ext. 53

MARKETING DIRECTOR

for
OLD ESTABLISHED LONDON CONFIRMING
HOUSE WITH SUBSTANTIAL EXPANSION
CAPITAL AVAILABLE

Responsibilities would include:-
(1) Development of existing and new markets;
(2) Monitoring of clientele directly and through overseas representatives;
(3) Assessment of new business.

The successful candidate would have:-
(i) Experience of international trade, finance and procedures probably acquired in a merchant bank, confirming house or international trading company;
(ii) The ability to mix with and assess people of varying nationalities and background;
(iii) Willingness to travel extensively and probably have:-
(iv) Training in accounting, banking or law;
(v) Some linguistic ability.

Preferred age bracket: 30-45 years.
Salary would be negotiable according to experience, etc. Other benefits would include company car, non-contributory pension scheme, BUPA, etc.
Replies, with curricula vitae, will be treated in strictest confidence and should be sent to:-

Mr. I. B. Kotzen, Director,
DOMINION SHIPPERS LIMITED,
17, Stamford Street, London, S.E.1.

INVESTMENT ANALYST (EDINBURGH)

The Life Association of Scotland Ltd. is seeking an analyst to join its small investment team.

The successful applicant will be aged under 30 with a degree or professional qualification and have had two to three years' experience of investment research. He/she will be expected to make a positive contribution to the management of the portfolio at an early stage.

The salary will be competitive and commensurate with qualifications and experience. The usual fringe benefits associated with a life assurance company will apply.

Please write giving details of education and experience to:

J. Innes, Staff Manager,
The Life Association of
Scotland Ltd.,
10 George Street,
Edinburgh EH2 2YH.

APPOINTMENTS WANTED

MARKETING EXECUTIVE

seeking part in medium sized consumer or industrial product company wishing to expand sales and/or export to or with Central and Latin America. 32 years old, British citizen residing in Brazil, fluent Portuguese, English and French. Eight years' experience in international sales and marketing. Fully detailed curriculum vitae supplied on request.

Write Box A6244, Financial Times, 10, Cannon Street, EC4A 3BY.

STOCK EXCHANGE PARTNER

with all-round experience in partnership or association with stock and bond markets. Could be of interest to country firms requiring capital resources or assistance on London/Edinburgh basis.

Please reply to Box A6244, Financial Times, 10, Cannon Street, EC4A 3BY.

Finance & Administration Director

Nigeria

The successful candidate will be responsible for finance (budgets, planning, accounting, cost control, treasury, credit management, tax, etc.) and for administration (legal coordination, insurance, personnel, etc.).

This position is based in Lagos, Nigeria and will require several trips to Europe per year. Previous experience in a developing country is required.

Compensation and fringe benefits should attract outstanding candidates. Annual home leave of two months.

Please send a full resume to Ref No. MA 108, Robert Marshall Advertising Limited, 30 Wellington Street, London WC2E 7BD. All applications will be forwarded to the Consultant handling the assignment. Replies will be dealt with in strict confidence and will not be divulged to the client company without the prior permission of candidates.

Robert Marshall
Advertising Limited



SHORTLOAN INTERNATIONAL LTD.

Currency Deposit Brokers

are expanding and looking for the following staff:

- 1) Two experienced brokers for Dollar, Yen and/or Currency Deposits.
- 2) Trainee brokers, preferably with some market experience.

Good salary. Normal company benefits, holidays, pension etc.

Applications will be treated in the strictest confidence.

Apply to:

R. F. Laidlaw
Shortloan International Ltd
4 City Road, Finsbury Square,
London EC1Y 2AU.
Tel: 01-588 6292.

FIRST-CLASS OPPORTUNITIES
available to qualified, student and
experienced accounting personnel.
Contact Alex Moore or Brian Copestake
on 01-628 2691

DRAKE ACCOUNTING
01-628 2691

EVANS EMPLOYMENT AGENCY LTD.

Will welcome your enquiries in
strict confidence about positions
in stockbroking.
15, Capthall Avenue,
London EC2. 01-628 0985.

DEALERS

A well-respected international bank is seeking two forex dealers and a sterling dealer with drive and ambition to join their expanding dealing room. The successful candidates are likely to be 25 to 30 years of age with a minimum of two years' dealing experience, wishing to join a prime bank offering excellent career prospects. Salary: £8,000.

FOREX BACK-UP

An international bank expanding its foreign exchange business requires a person aged 25 to 35 with a sound knowledge of foreign exchange combined with telex experience. This is an interesting position with plenty of responsibility. Salary: up to £5,500.

TRAINEE CREDIT ANALYST

We have been requested to find a young banker to be trained in credit analysis. A good education, sound banking experience together with an appreciation of loans work or balance sheet analysis would be ideal. Age: up to 24. Salary: up to £4,000.

These positions are open to male or female applicants

BSB Banking Appointments

131-133 Cannon Street, London EC4A 3AX. Telephone 01-623 7317 & 01-623 9161 (Recruitment Consultants)

SENIOR CHIEF DEALER

A LEADING CONTINENTAL BANK

which is establishing a London operation now requires a

FOREIGN EXCHANGE MANAGER/SENIOR CHIEF DEALER

Applicants should have several years' experience in Foreign Exchange, Deposit Dealing and Money Management, and applicants with a background in general banking will be given special consideration.

The position, which is a senior position, carries an excellent salary plus all usual fringe benefits.

Please send full career details in the strictest confidence to Box A.6245, Financial Times, 10, Cannon Street, EC4A 4BY.

Taxation Accountant

Central London

to £7000

BICC is the largest organisation in the world with complete facilities for research, manufacture and contracting in the transmission of electric energy for power and telecommunications. It also has significant world-wide interests in civil, mechanical and electrical engineering.

In order to strengthen the taxation function the group wishes to recruit a taxation accountant whose principal responsibilities will include:

- * The preparation and subsequent agreement with the Inland Revenue of computations for a number of UK resident subsidiaries.
- * Provision of advice on personal taxation matters particularly those relating to periods of employment abroad.
- * Assistance in the negotiation of selective assistance under the Industry Act 1972.

Candidates should:

- * Be qualified accountants or have passed the Inland Revenue final examination for inspectors of taxes.
- * Offer at least two years post qualifying tax experience.
- * Be seeking to broaden their experience and be prepared to tackle many different aspects of tax work in the process.

Salary is negotiable to £7,000 and benefits include private medical insurance, subsidised luncheon facilities and contributory pension scheme.

Please write with particulars of education, career and salary progression to:

Mr. C. Garnett
Personnel Manager
BICC LTD.
21 Bloomsbury Street, London WC1B 3QN

BICC

INVESTMENT MANAGEMENT

A financial institution in Edinburgh has a vacancy for a person to assist in the management of a U.K. equity portfolio. The successful candidate will have a degree or professional qualification and at least five years investment experience.

Salary negotiable at over £8,000 p.a.

Write giving full details of career to date and present salary to Box F.C.B., 10, Cannon Street, London, EC4A 4BY.

Portsmouth Polytechnic

DEAN

of the Regional Management Centre, Portsmouth.

Applications are invited for the new post of Dean of the Regional Management Centre, Portsmouth.

The Dean will have an overall co-ordinating role in the Regional Management Centre and an executive responsibility for the Polytechnic School of Management Studies in which he/she will be assisted by a separate Head of the School of Management Studies.

Candidates should have appropriate qualifications and considerable management experience. He/she will require a comprehensive understanding of the management education needs of both the private and public sectors and have the dynamic and personal qualities to foster the co-operation of industry and the constituent colleges.

Salary scale (including current pay supplement) within the range of £8,799 to £9,675.

Application forms and further particulars from Staff Officer, Portsmouth Polytechnic, Alexandra House, Museum Road, Portsmouth, PO1 2QQ, to whom completed applications should be returned by 21st February, 1978. Please quote ref. L19.

INVESTMENT ANALYSTS

Several of our Clients—leading Firms and Companies—are keen to meet experienced Analysts, 24-35, who seek career advancement specialising in one of the following sectors or markets:

STOCKBROKING
BANKS £7,000-£10,000
CHEMICALS £4,000-£7,000
ENGINEERING £4,000-£5,000
OILS £7,000-£10,000
PROPERTY £6,000-£8,000

INSTITUTIONS
EUROPEAN £6,000-£7,000
U.K. £4,000-£5,000
U.S. £5,000-£7,000

The function, responsibility and Partnership potential obviously varies according to each position. Please contact us for all information and an initial call in total confidence.

Stephens Selection
33 Dover Street, London W1X 3BA.
01-493 0017
Recruitment Consultants

ACCOUNTANTS

£8,000-£10,000

FINANCIAL ACCOUNTANT
The position involves the development of sophisticated accounting systems working in an efficient and progressive environment. Excellent promotion prospects.

INTERNAL AUDITOR

An ambitious accountant required with experience in commercial internal audit to join the department of a large organisation. Excellent prospects for candidates of high calibre.

Stephens Selection
33 Dover Street, London W1X 3BA.
01-493 0017
Recruitment Consultants

SELF MOTIVATING CREDIT ANALYSTS

with minimum two years' experience

urgently required by expanding Consortium Bank, E.C.2. Salary to £7,000.

SENIOR LOANS ADMINISTRATION CLERK

required for U.S. Bank. Excellent prospects offered. Salary negotiable c. £4,500. Both vacancies offer excellent fringe benefits. See Personnel, 01-409 1941.

Financial Controller

Director Designate
c.£15,000 plus car

The Woodhouse and Rixson group is one of Sheffield's leading forgemasters and engineering companies. It's growth and profit record over the last decade is enviable, and its management team is young and dynamic.

The Board wishes to appoint a tough and uncompromising chartered accountant with general management potential whose outlook is oriented to control in the wider business sense.

Candidates probably aged over 35 must have gained their experience in a number of public companies. This will have included direct responsibility for all the usual accounting functions and, most important, there must have been emphasis on tight budgetary control. Experience is also sought in the formulation of corporate financial strategy, capital manipulation, funding of major capital expenditure acquisition evaluation and ideally, a broad knowledge of international finance.

A suitable car is provided and there are the usual fringe benefits including generous help on any removal cost. Salary is negotiable around £15,000.

Applications, enclosing an up-to-date curriculum vitae, should be addressed to: The Chairman, Woodhouse and Rixson (Holdings) Limited, P.O. Box 74, Bessemer Road, Sheffield, S9 3XS.



FINANCE DIRECTOR (Divisional)

John Mowlem Co. Ltd., international building and civil engineering contractors are now seeking a qualified and suitably experienced accountant to be appointed Finance Director of a major division of the group.

Mowlem have a substantial growth record, expanding operations overseas and a turnover of £150 million. They seek a qualified Accountant who will be part of the management team and responsible to the Divisional Managing Director for all aspects of financial management.

He or she will manage a Head Office Department which consolidates and monitors management and financial accounts from divisional operations, as well as being responsible for budgeting, banking and taxation matters.

Candidates, aged 35-50, should be ACA, ACCA or ACMA with experience of the majority of these functions mentioned, preferably in the construction industry. Some overseas travel will be involved.

This is an opportunity for a commercially orientated professional.

An attractive salary dependent on experience and ability will be paid, together with company car, pension scheme, life assurance and other staff benefits.

We advise suitable candidates to write, in confidence, giving details of their experience to Mr. H. K. Douglas, Group Finance Director, John Mowlem Co. Ltd., Westgate House, Ealing Road, Brentford, Middlesex TW8 0QZ.



Eurokapitaalmarkt en international corporate finance.

Binnen het Effectenbedrijf van de Amro Bank houdt de werkgroep Buitenland van het direktoraat Effectensyndicaten zich bezig met het leiden van en participeren in transacties op de internationale kapitaalmarkten alsmede internationale corporate finance activiteiten. De Amro Bank behoort tot de leidende internationale banken op dit gebied.

Wegens de gestage groei van de activiteiten zoeken wij versterking van dit jonge team met iemand die kort geleden zijn/haar academische studie of soortgelijke opleiding heeft afgerond.

- Om deze functie goed te kunnen vervullen worden eisen gesteld aan:
- kennis van en belangstelling voor internationale financieel-ekonomische ontwikkelingen
 - creatief vermogen en commercieel gevoel
 - schriftelijke en contactuele vaardigheden
 - kennis van moderne talen,

Na een periode op het hoofdkantoor in Amsterdam behoort verdere opbouw van ervaring, bij affiliaties in het buitenland, zeker tot de mogelijkheden.

Een psychologisch onderzoek maakt deel uit van de sollicitatieprocedure. De uitslag van dit onderzoek kan voortdurend rapportage plaatsvindt aan de Amro Bank besproken worden met het testbureau.

Voor verdere informatie kan contact opgenomen worden met de heer O. de Roos, telefoon 020 - 28 36 49.

Schriftelijke reacties kunnen worden gestuurd naar de Amro Bank, afdeling Kaderwerving & Loopbaanontwikkeling, Herengracht 586 te Amsterdam.



FREE LISTS OF VACANCIES SALARIES £1,500 TO £8,000+

To receive one of our lists of vacancies for accountants just ring, write or call at our office. When you contact us please mention the reference number of the list which will interest you.

Ref. MF100 Commerce & Industry. A wide range of vacancies offering £3,500-£8,000+ in the U.K. and overseas. Ref. PF100 The Profession. Positions at all levels in public practice in Britain and abroad offering salaries to £3,000+.

Richard Owen Associates

Cross Keys House, 56, Moorgate, London, EC2R 6EL. Telephone: 01-635 3353 (24-hr. answering service) Our service, which finds the right jobs for hundreds of accountants, every year, is personal, confidential and free. Licensed in accordance with the Employment Agencies Act 1973 No. SE41945.

COMMODITIES APPOINTMENTS

COMINCO (UK) LTD.

requires the following staff to join its rapidly expanding LME team.

CLIENT LIAISON OFFICER

Age 22-29, experience in client liaison work in metals desirable.

TRAINEE LME TRADER

Age 17-31, previous market experience desirable but not essential.

Both positions offer three weeks' holiday, non-contributory pension and usual fringe benefits.

Phone Mrs. Garneys on 01-606 1883, ext. 47.



SENIOR TRADER — EDIBLE OILS

A Senior Trader with Director potential and vegetable oils background required to expand successful Edible Nuts Division of long established Merchants House. Substantial basic salary and benefits by negotiation.

01-439 1701

SENIOR TRADER REQUIRED

A Senior Trader with Director potential and good connections required for long-established City Merchants House, dealing in raw jute, jute goods and hard fibres.

Substantial basic salary and benefits by negotiation. Please write in strictest confidence to Box A.6240, Financial Times, 10, Cannon Street, EC4A 4BY.

COMMODITIES APPOINTMENTS

VACANT OR WANTED

APPEAR EVERY THURSDAY

For details contact:

STEVE NEVITT

on 01-248 8000 Ext. 591

Senior General Management Appointment

—around £17,000

Chief Executive of multi-national group, based in London, needs an executive with multi-discipline experience, either in marketing, production, finance or engineering, and who has the potential to be his replacement. The post is not Deputy Managing Director as there could be other candidates within the company.

The executive required would need to head up the corporate planning function, in the first instance, which would give him access in a relatively short period to all aspects of the company's activities. While this would be a staff job, it would be given equivalent line support. After a period in the planning assignment, the executive selected could be given line responsibility, either as Divisional Chief or Managing Director of a subsidiary operation.

The requirements are:

A good systems mind; able to identify key objectives and plan objective achievement. Experience in at least one of the above disciplines. Proven administrative ability. Skills in identifying and developing management. (Fast personnel/industrial relations experience could be an advantage.) Analytical ability founded on development and use of computer information.

Remuneration

Basic around £14,000, plus incentive compensation, plus company car, etc. Apply to Personnel Director, Box A.6250, Financial Times, 10, Cannon Street, EC4A 4BY.

Senior Corporate Banker

for International Bank, Denmark

This is an excellent opportunity for an experienced banker to join the Corporate Banking Group of Citibank in Denmark. The job will appeal to a young banker who is prepared to accept responsibility and who is motivated by a sense of achievement.

Following a short period of orientation your job responsibilities will include:

- * Marketing the full range of the Bank's products
- * Sole management of a given number of corporate client relationships
- * Credit evaluation and preparation of credit applications
- * Achieving budgeted volumes of new business and obtaining corporate profit goals within responsibilities
- * Planning and development of relationship strategies

This job is a senior position within the Copenhagen branch and will carry official status within a short period. You should have:

- * A university degree and at least five years' experience in a similar position, either in a bank in Denmark or abroad
- * Fluency in English and Danish—both written and spoken
- * Ability to negotiate at the highest corporate level

Salary benefits will be negotiable according to age, qualifications and experience.

Please write in confidence to: Mr. R. F. Forbes, Manager, Corporate Banking Group, Citibank NA, Nikolaj Plads 34, 1067 Copenhagen K.



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Step towards better phone service

AT SOME point in the future when the U.K. telephone system becomes digital both from the switching and the transmission point of view, the Post Office will be faced with the task of converting the speech output of each of the country's telephone instruments into a digit stream.

The technique is well enough known and has been applied for a number of years in inter-exchange links using pulse code modulation. But built with conventional components the circuits are bulky and expensive and so the corporation's research department has been developing a microelectronic chip known as a single channel "code" (code-decoder).

Low cost semiconductor chip production will mean that each phone line could have the device reasonably cheaply, paving the way for digital switching in local telephone exchanges with all the customer benefits which it could bring.

Prototypes have already been made at the research centre at Marlesham and contracts for developing production versions have been placed with Ferranti and General Instrument Micro-electronics.

Although the aim is to produce a circuit that will be cheap enough to work in any part of the phone network, first likely applications will be in the Post Office's replacement for the PABX, the customer digital switching system or CDS, it will replace existing electro-mechanical designs of PABX (private automatic branch exchange) used in offices, shops and factories. The codes will be used to convert analogue speech signals generated by individual telephones into digital form.

Data buoy to move

HAVING completed 18 months of trials in the North Sea where it has been collecting and relaying data about the sea and the weather, the U.K. National Data Buoy is to be redeployed in the spring in the south western approaches.

It will collect data for the U.K. Offshore Operators Association (an oil company organisation in the main) and will provide essential background information for eventual oil and gas exploration in the area.

The buoy is designed by the Seatek association of companies consisting of EMI Electronics, British Aerospace Dynamics Group (previously Hawker Siddeley) and Blackwell Engineering; W. S. Atkins and Partners act as consultants.

Disc shaped and measuring 7.6 metres in diameter, the 30 tonne wave-riding buoy is equipped with advanced sensors that measure wind, wave, temperatures and sea currents. The data will be sent back over the

180 miles to shore using an H.F. radio link and a government modulation technique called PicoLo which can work in low level noisy signal conditions.

The buoy's data handling equipment has 90 channels, transmitting information from each every hour and it also emits a real-time 20 minute transmission every three hours concerning wave data.

The main objective of the buoy will be to build up an environmental pattern so that worst conditions can be predicted with accuracy, easing the work of structure design engineers. In this way the structures will be built with that much more cost effectiveness and will also be safer for the men working on them.

But to build up an accurate set of statistics it is necessary to make the measurements over a prolonged period and under all conditions. That is what the buoy will do over the next year or so, prior to actual work starting in the area in earnest.

PROCESSING

Solid wastes processing

UNDER A £1.8m. order from the City of Edinburgh, Peabody Holmes has been appointed main plant contractor for Stage 2 of the Phase 2 extension to refuse incineration plant at Powderhall. To be completed next year, the plant will process a minimum of 800 tonnes of refuse/24 hour.

West Yorkshire Metropolitan County Council has awarded a £12m. contract to Peabody Holmes for the supply of mechanical handling and high density baling equipment capable of handling 50 tonnes of refuse/hour, to be installed at Birkhall. The bales will be used for landfill—each will weigh 1.25 tonnes, and will have an approximate density of 65 lb/cubic foot.

The company will also supply a 6.7 cubic yard stationary container to the Council. Designed to handle a minimum of 400 cubic yard/hour, it will form part of a refuse transfer station being built at Todmorden.

HANDLING

Big vacuum cleaner

FRENCH BUILT, the latest machine in the Manitaur range of mobile suction plant operates from a standard three-phase 60A welding socket, and is rated at 3000 litres of air displacement per hour. It is capable of "pulling" materials through 300 metres of pipework.

Air displacement is 1380 cu. metres/hour at a maximum vacuum of 5 metres/water. The unit is normally fitted with a 100 mm. diameter flexible hose, and is capable of handling a range of non-flammable materials, including dusts, powders, pellets, and in certain configurations, liquids and slurries. One of the first machines has been delivered to Pilkington to handle cullet (broken glass).

The machine has a 9 sq. metre main filter, which is automatically shaken by a pre-set timed vibrator when the unit is shut down. Collected material is deposited in a 500 litre (0.5 tonne) capacity hopper, which can be pivoted and discharged into a standard skip for disposal. Three versions are available—wheeled on-road; wheeled off-road; and skid-mounted. Weight of the latter, intended for vehicle mounting, is 1.215 kg. (empty).

Marketing in the U.K. is by Envirocon, Kingston House, Bird Street, Lichfield, Staffs. (05433 52335).

METALWORKING

Welding technique cuts mill roll repair costs

BRIGHT SPOT in an otherwise gloomy prospect, is the worldwide operation of Sarcad International, set up less than a year ago by the Swedish welding experts ESAB and the British Steel Corporation, but already showing a profit.

Basis of the operation is the general development of the Sarcad techniques which permit the surfacing or repair of process rolls by a welding technique. But the company is not offering just that—the manufacture of new and reclaiming used rolls—it is also seeking to promote the dissemination of the technology, with the sale of the welding consumables and the welding plant, both to the more sophisticated steelmakers and to those countries which are developing their own steel industries.

The Sarcad approach is to offer a package deal under which a preliminary survey is made of the suitability of the proposed operation on a fee-paying basis.

If the survey is approved, the company then can follow up with the supply of all the required equipment and the technical and other training to enable local personnel to produce all types of Sarcad rolls.

Sarcad stands for Submerged ARC weld CLADDING and its development stemmed from the need felt at BSC to cut down roll costs by repairing used hot mill rolls effectively and providing high performance weld surfaces on a base of less expensive metal.

The partners—BSC and ESAB—had a number of major problems to overcome in stepping up

weld deposition rates and securing uniformity in deposited metal.

A breakthrough in this work was the development by ESAB of a special welding head operable with twin or single electrodes and with welding currents up to 1250 amps. The unit was made robust enough to operate for long periods, providing deposition rates of better than 20 kilos/hour.

Continuous flux supply with recovery of unused material is provided and there is constant monitoring of flux level.

At the same time, weld metals have been formulated with increased resistance to the wear and thermal fatigue processes to which the surfaces of mill rolls are constantly exposed.

Six compositions are provided, with varying percentages of chrome and additions of manganese, molybdenum or nickel or combinations of these, according to the final hardness range required.

Economic reclamation of rolls is at the moment limited to forged or cast units with a carbon content of less than 1.5 per cent. And when the roll barrel and the journals meet this criterion, they still would not be accepted where deep thermal cracking had occurred.

One of the most significant achievements to date of the technology is the production of a 44 tonne, 3.6 metre wide roll clad with over 7 tonnes of weld metal for a roughing stand of a plate mill. The roll was finish-ground and found to be completely without defect.

The process is also being used to repair a 25,000 lb roll which would otherwise have been scrapped.

Ready for exploitation

DEVELOPED FROM its 2 kW carbon dioxide laser (now in commercial production by BOC), the Welding Institute's 5 kW laser has reached a point where it can be offered for commercial exploitation.

Using the same principle of fast axial gas flow as its smaller predecessor, the new laser is believed to have a higher metal-working performance than any other comparable laser.

In early welding trials it has been used on mild steel, 18/8 stainless steel, a titanium alloy and an aluminium alloy in

thicknesses up to 8mm, and at high speeds—for example, a single pass weld has been made in 6mm thick stainless steel at 1200mm/minute.

Joint preparation is square butt, similar to that for electron beam welding. The resultant weld resembles that achieved with an electron beam, but can be made without the associated problems of working in vacuum. The weld itself is about 1mm thick.

Current work indicates that welding capacity should reach 12mm thick shortly, and it is expected that when the beam has been turned downwards through 90 deg. and a co-axial gas chamber fitted to provide a shielding or cutting gas flow) the laser will be capable of cutting steel up to 15mm thick and aluminium up to 6mm thick at high speeds, with a narrow kerf.

The Institute says that the increased penetration capability will allow the laser to compete economically and technically not only with the well-established electron beam welding applications, but also some of the arc

Dr. K. A. Ridal, executive director of Sarcad International, estimates that use of Sarcad provides cuts in manufacturing cost and improvements in service performance such that average savings runs between 40 and 50 per cent.

For every pound spent on Sarcad, rather than conventional approaches, there is a saving to the user of £1. Another way of looking at the problem, says Dr. Ridal, is to consider how the approach saves scarce resources. The weld deposits represent between 5 and 20 per cent of the total volume of a roll. The consequences are that only a fraction of the energy otherwise needed is employed applying Sarcad.

A further very important consideration is that the process permits design of rolls with unique properties, coming much closer to the precise requirements of a given operation. It allows makers to provide guarantees of service life with much more confidence and at the same time cuts maintenance and down-time.

Dr. Ridal disclosed that discussions have been held with potential users in 15 countries and that both Spain and Canada have placed contracts with Sarcad for detailed technical and economic evaluation.

The next step in development will take the process into an area of very great potential. Under study is the use of Sarcad in the production of rolls for continuous casting operations.

But the duplex structure of Sarcad rolls with their ductile cores and hard surfaces are expected to make them suitable for many applications, especially as the metal deposited gives better wear resistance.

By welding the beam, overall length of the machine has been kept to only 3.5 metres, identical to that of the 2 kW laser—length could be further reduced, but only at the risk of possible power loss because of potential misalignment if further folds were introduced.

Major advantage of high powered laser welding is the narrow deep penetration welds produced, resulting in minimal distortion of the component, which reduces or eliminates subsequent machining of precision parts.

The Welding Institute is now inviting research member companies to apply for licensing agreements for the manufacture of a commercial version of the laser. It is understood that the cost of a commercial version is likely to be in excess of £100,000.

Details from Mr. D. Russell, at the Institute, Abington Hall, New York, the Cayman Islands and Hong Kong.

MATERIALS

Improving the quality of concrete

HAVING processed and supplied about 100,000 tons of its Pozzolanic pulverised fly ash for use in concrete in 1977, Pozzolanic is setting out to exploit the potential market which it reckons could be as much as 14m. tons annually.

The material itself costs nothing to produce as it is the product of the combustion of coal in Central Electricity Generating Board power stations which are only too glad to dispose of it.

Pulverised fuel ash (PFA), which can be used in concrete as a partial replacement for Portland cement, is a pozzolana, an aluminous material which has no cementitious value in itself but will in finely divided form and in the presence of water react with calcium hydroxide produced during the hydration of Portland cement to produce other hydraulic and cementitious compounds.

Principal use of fly ash pozzolanas is in the improvement of the properties of concrete leading to greater durability, easier placing and better surface finishes, better pumpability and by using PFA in concrete mixes

great density.

Pozzolanic is at present supplying the material from five U.K. power stations where the company does all the necessary processing before delivering to customers in 20-ton road vehicles.

The company is currently emphasising that the material provides a safeguard against cracking of concrete caused by chemical changes such as was discovered last year in electrical installation foundations at some stations in the south-west of England.

Pozzolanic, which is at Nicholson Street, Mews, Chester, CH1 2NS (Chester 49104), is a subsidiary of Blue Metal Industries Group in Australia, and its product has already been used on major projects such as the M1 motorway, the Thames barrage and Dinorwic pumped storage scheme. However, the company thinks that a larger part of its sought growth could come from the many smaller users of concrete who have yet to be convinced of the advantages offered by using PFA in concrete mixes.

MAINTENANCE

Fast boiler tube cleaning

SOOT AND FLY-ASH is eight been developed enabling times more effective as an insulator than asbestos, according to two companies launching industrial suction units and accessories. This allows boiler tubes from 1 to 24 inch internal diameter to be descaled and by 24 per cent, and this is made worse by the hard scale that builds up beneath the dust.

Newman Industrial Controls, which markets the range of Skataskalo flexible drive boiler descaling machines made by an associate company, Flexible Drives (Gilmans), has made an informal marketing arrangement with Nilska, which specialises in industrial vacuum cleaning and polishing equipment.

Special guns and snouts have

Both products can, of course, be separated and used independently when required.

Details from Newman Industrial Controls, Kineton Road Industrial Estate, Leamington Spa, Warwick, CV33 0DS (092681 3818) or Nilska, Newmarket Road, Bury St. Edmunds, Suffolk, IP39 3SR (0284 63165).

COMPUTING

Consulting share records

IMMEDIATE access can be given to information on 675 shares, 66 actually used, are charged separately. It is based on the use of Seicon's interactive statistical package Interstat, which provides the vehicle to carry out statistical analyses of the data and present the results in tabular or graphical form. Many complex analysis routines are available.

The database, developed in conjunction with a leading stock broker, is updated daily and provides a complete historical record of every entry from January 2, 1973.

Basic subscription to the service is £500 per year and Seicon Computer Services are prepared to add further shares to the database if required. The cost of 0008 555566.

TONY FRANCE

FROST & SULLIVAN

announce their FIRST ANNUAL CONFERENCE

on NATURAL GAS & SYNTHETIC NATURAL GAS & ASSOCIATED TREATMENT EQUIPMENT & ENGINEERING SERVICES MARKETS IN EUROPE

FEBRUARY 15 & 16, 1978, MAYFAIR HOTEL, LONDON

For details, contact: Chloe Haslam, Frost & Sullivan Limited

104-112 Marylebone Lane, London W1M 5PU

Tel: 01-436 8377 Telex: 261671

electrical wire & cable?

ANXIR

Thousands of types and sizes in stock for immediate delivery

• NO MINIMUM ORDER • NO MINIMUM LENGTH

LONDON 01-561 8118 ABERDEEN (0224) 32355/2

TRANSFER CALL CHARGES GLADLY ACCEPTED

24Hr. EMERGENCY NUMBER 01 637 3567 Ext. 409



WE NEED THIS NEW TECHNOLOGY. BUT IF WE RAISE MORE CAPITAL WE'LL LOSE CONTROL OF THE BUSINESS.

Call NRDC When we back you we keep off your back

If you've got a good idea that's a genuine technological innovation, NRDC can shoulder half the risk by providing the finance for half the development and launching costs.

You don't have to pay a penny back until you start generating sales. And you stay in control throughout.

NRDC's money and technological backing could be yours for the asking. The very least we'll give you is a sympathetic ear and some

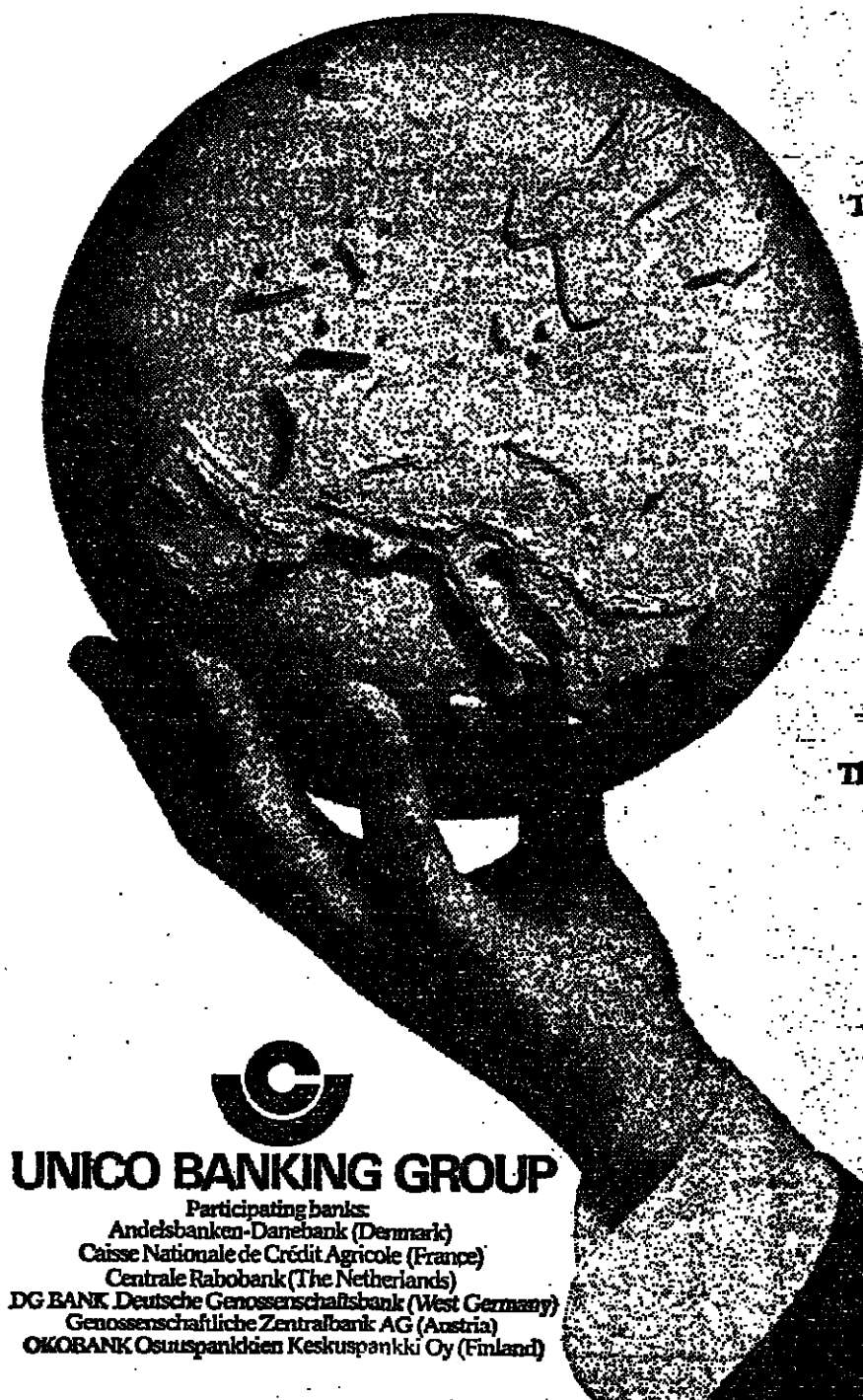
sound advice based on our great experience in technological innovation.

Contact the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL.

Or better still, ring Brian Mann now on 01-828 3400.

NRDC
Finance for innovation

UNICO BANKING GROUP your partner in international banking.



Six major European banks have joined forces and now form UNICO BANKING GROUP with an aggregate balance sheet total of some \$180 billion.

The group with the wide spread base.

UNICO BANKING GROUP comprises some 36,000 offices and branches, the densest network of banking outlets in Western Europe.

This web of offices not only allows for speedy execution of all types of banking activities but also enables other extensive services such as new business contacts and detailed information especially about local and regional business and investment opportunities.

In addition, business elsewhere in the world is supported by branches, subsidiaries and affiliated banks in London, Luxembourg, Zurich, New York, the Cayman Islands and Hong Kong.

The group with a wide variety of activities.

Through its members, their subsidiaries and affiliated companies UNICO BANKING GROUP provides for the possibilities to raise funds in various currencies and maturities for corporate finance, foreign trade finance, project finance and international loan transactions among other services.

Feel free to get in touch with UNICO BANKING GROUP by simply contacting either one of the parties banks listed below or the Standing Secretariat in Amsterdam at 604 Keizersgracht Telephone (20) 222252, telex 15412.

UNICO BANKING GROUP

Participating banks:
Andelsbanken-Danabank (Denmark)
Caisse Nationale de Crédit Agricole (France)
Centrale Rabobank (The Netherlands)
DG BANK, Deutsche Genossenschaftsbank (West Germany)
Genossenschaftliche Zentralbank AG (Austria)
OKORANK Osuuspankki Keskuspankki Oy (Finland)

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantime, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000

Thursday February 2 1978

New broom at Leyland

WITH THE benefit of hindsight, it can be seen that Lord Ryder's reorganisation of British Leyland suffered from two major weaknesses. First, it was too ambitious and based on too optimistic a view of the likely improvement in the company's market position. Second, some of the managers appointed to top executive positions were not good enough. A third criticism, that the integrated organisation of Leyland Cars was fundamentally unsound, is more questionable.

More rigorous

The new chief executive, Mr. Michael Edwards, is determined to avoid the first of these mistakes. It is no use basing plans on a U.K. market share of 30 per cent. or more if the company's actual penetration is closer to 20 per cent. The belief that the decline in penetration is due to lack of availability is contradicted by the evidence of sluggish sales of certain models, especially in the middle of the range where Ford is especially strong. Without abandoning hopes of recapturing lost ground, British Leyland must adjust to the world as it is.

This greater realism affects attitudes to manning, to investment and to the model range itself. Many of Leyland's plants are seriously overmanned in relation to its competitors and the overmanning has little to do with inadequate investment. The Ryder Committee agreed that productivity was too low, but suggested that the reductions in manpower necessary to achieve greater efficiency could be offset, at least in part, by an expansion in sales. Given that the improvement in sales has not been achieved — and does not look achievable until the model range has been improved, which will take some years — the more rigorous approach to manning levels outlined by Mr. Edwards yesterday is welcome.

Mr. Edwards' organisational changes will cause considerable upheaval; much depends on the calibre of the men appointed to run the new companies. But of all the decisions which he has to make, none are more crucial than those affecting products. British Leyland stands or falls on the acceptability of

its models in the marketplace. The remarkable transformation of Volkswagen over the last few years was not simply a matter of management and higher productivity, though these were important; the key to it was the new model programme, carefully designed and skilfully implemented.

Leyland's position is particularly difficult, because its scale of output puts it midway between the genuine specialist car producers like BMW and the high-volume companies like Volkswagen, Fiat and Renault. To abandon volume cars at this stage is hardly feasible. Quite apart from the political objections, it is extremely doubtful whether Jaguar, Rover and Triumph are viable on their own. They depend for bodies and other components on factories whose main volume comes from Austin Morris; if Austin Morris disappeared, the economies of those factories would be undermined. Whatever else may not have been achieved in the ten years since the creation of British Leyland, the extent of inter-dependence between the various car operations has certainly increased; to reverse the process would be damaging and unnecessary.

Cash injections

Support from the Government will be needed for some time to come, but the present system of making cash injections vaguely dependent on good behaviour is unsatisfactory. In the financial reconstruction which seems likely in the near future the cardinal principle must be to put responsibility for Leyland's future where it belongs — with the people who manage the company and work in it. To the extent that they are unable to generate funds out of their own operations, a further contraction must take place — and this, too, is a matter for management to decide.

There is no reason to suppose that British Leyland is unmanageable. It still has some important areas of strength which can be built on. But no recovery will be possible unless Mr. Edwards and his colleagues are allowed to get on with the job and to take whatever actions are commercially necessary to secure the company's future.

Unanswerable questions

THE GOVERNMENT'S industrial strategy, work on which has now been going ahead for two years, has two important advantages over Labour's earlier and short-lived National Plan. In the first place, the economic assumptions on which it is based are less precise and less sanguine. In the second place, it is designed to operate by collecting information from specific industrial sectors and transmitting it to the centre for use in the formulation of policy. The sector working groups, which have now submitted their reports, are each made up of people drawn from management, unions and Government. The habit of working together in an attempt to increase efficiency is itself likely to be valuable.

But the economic situation has become considerably less promising while these reports were being drawn up. The industrialised countries as a whole, mainly because of the sharp increase in oil prices, have experienced rapid inflation and high unemployment together and do not expect to be able to extricate themselves quickly from this situation. North Sea oil gives Britain a special balance of payments advantage and a useful breathing-space in which to reverse a long-standing relative decline of her industry, but it is not itself more than an opportunity.

North Sea

Perhaps the most significant statement in the paper presented jointly by Mr. Healey and Mr. Varley yesterday to the NEDC, therefore, is that North Sea oil alone will not allow us to run an adequate balance of payments surplus at full employment. However, the relevant terms are defined, the Government clearly believes that a marked improvement in industrial efficiency is needed to reach this objective. It is the competitive performance of industry, together with world trading conditions and the course of domestic inflation, that will determine how fast the economy can be allowed to grow

over the next few years. None of these three factors, the paper admits, can be predicted with any accuracy. But on the rough assumption that future pay settlements can be kept well within single figures and that world trade in manufactures grows at an average rate of 8 per cent. (which may be optimistic) over 1977-83, it estimates that a small increase in efficiency would be enough to allow a growth rate of 3½ per cent. and a gradual fall in unemployment. The more substantial increase in efficiency which the work of the sectoral groups suggests may be possible would make it possible to reduce unemployment faster, not directly — the new jobs would be in new industries and services — but by running the economy at a higher level of demand.

Employment

About half the groups have made estimates of future imports and exports, which together amount to an improvement of £2½bn. in the trade balance between 1975 and 1980. The Treasury calculates that an improvement of this size would allow between £m. and 1m. jobs to be created, spread widely through the economy. But the wide range of this estimate and the great uncertainty of the assumptions on which it is based should serve as a reminder that economic forecasting is by no means an exact science and that a number of questions to which all those involved in the industrial strategy would like the answers are simply unanswerable.

Ministers are succeeding reasonably well, however, in learning from the worst experience of the National Plan. They are not claiming too much for their overall figuring, nor are they seeking to ensure that it comes out right by picking industrial winners themselves. Their most important lesson, however, which has an obvious relevance to job assistance schemes, is that the growth of employment overall must mean an actual fall in those industries where there is most scope for increasing efficiency.

ROLLS-ROYCE'S FIVE-YEAR PLAN

ROLLS-ROYCE has told the Government, through the National Enterprise Board (which owns the company), that it is likely to need substantial amounts of money during the next five years for new engine programmes to enable it to stay in the forefront of the increasingly competitive world aero-engine business.

The Government has declined to give even the barest details of the company's five-year plan for 1978-82, on the grounds that it contains "commercially confidential" information. But it is now widely accepted in the aerospace industry that while the company is not making any immediate specific cash demands it has identified the major programmes it is likely to be working on in the future, and has estimated their likely cost — amounting to several hundred million pounds. In that way, Rolls-Royce has served notice on the Government and the NEB that it may need money quickly for certain ventures in the period to 1982, to ensure that, when the time comes for the company to make requests, the Government can respond quickly, and thus ensure that Rolls-Royce does not miss any major market opportunities.

Biggest yet

Many in Rolls-Royce itself, and more widely in the aerospace industry, hope the Government will view the plan sympathetically, for it is now becoming increasingly clear that unless it does so, and provides the cash the company needs at the time it needs it, Rolls-Royce could miss some of the biggest markets yet seen in world aviation.

Markets will open up because many of the existing jets in world airline fleets are ageing — some have been in service for nearly 20 years already — and many will have to be phased out by the early 1980s. Moreover, because they embody technology first devised more than 20 years ago, their engines are inefficient users of increasingly expensive fuel, and unacceptable environmentally as noise regulations at many major airports become more and more stringent. One era in the development of post-war civil air transport is thus coming to an end, and another is about to begin. Every airframe and engine manufacturer in the western world for the past three or four years has been discussing plans for the new generation of airliners, but hitherto, airlines have been reluctant to commit themselves, because of the cost.

These problems now appear to be passing, and it is widely believed that this year will see an end to the uncertainties in

MEN AND MATTERS

Scientists shape up to UN

Another global "north-south" collision is looming — this time in the rarefied atmosphere of science and technology, with governments as anxious onlookers. Two men in the midst of the furor are Sir John Kendrew, the Nobel prize-winner, and Joao Da Costa, a Brazilian lawyer and amateur sculptor. Next year in Vienna the United Nations is staging what has been billed as "the scientific get-together of the century" — the U.N. Conference on Science and Technology for Development (UNCSTD). All the world's governments will be represented and a British "position paper" is already being drafted in Whitehall. But Da Costa, as secretary-general of UNCSTD, has left nobody in doubt that he sees this as another chance to voice Third World anger against the affluent nations.

Increasingly gloomy about the shape of the conference that sculptor Da Costa is moulding. International scientists met discreetly last month in Paris under Kendrew's chairmanship. Apart from being director-general of the European molecular biology laboratory in Heidelberg, Sir John is also secretary-general of the International Council of Scientific Unions (ICSU).

The scientists decided to arrange a colloquium, which lesser mortals might call a pressure group. The basic aim is to ensure that the UNCSTD gathering gives proper attention to global cooperation in the transfer of technology and accepts that the problems of both developed and developing nations are indivisible. In short, they do not see much future in yet another conference devoted to "bashing the rich." I gather from the Paris office of ICSU

the world airliner markets that have bedevilled Rolls-Royce as much as any other engine or airframe manufacturer. By midsummer, one or more of the new generation of jet airliners is expected to have been launched formally, backed by U.S. This belief has given rise to increasing speculation — and some bitter commercial battles, still in progress — about which engines will be used in this new aircraft. There have been and still are heavy commercial pressures on Rolls-Royce to ensure that it wins some share of markets that are expected to amount to as much as £400m. per aircraft alone in the period up to 1980, of which the engines are likely to account for about one-third, or over £130m.

This forthcoming "re-equipment tide" is likely to be the last of its kind to be seen in this century. It will be so expensive that whoever buys new fleets in the next three to five years will not be able to afford another new fleet for 20 years or more. For this reason, any airframe and engine manufacturer which fails to win a share of it will be effectively out of business for the same period. This accounts for the unprecedented scramble for business and the extraordinarily high number of different suggested airframe and engine designs that have characterised the past few years in world civil aviation.

It is against this background that the Rolls-Royce five-year plan should be viewed. Some aerospace industry observers believe that Rolls-Royce is behind its rivals in preparing its plans, and that in some areas of the market — for example, the so-called "ten-ton thrust" or 20,000-pounds-plus category of engine — it is already too late. It also remains to be seen whether the Government and the NEB either have the resources, or are prepared to allocate them, to enable Rolls-Royce to pursue every programme it would like to undertake. But at least the company has now identified the four main engine options it believes are open to it.

They all lie in the civil field, for the military programmes on which it is already engaged or likely to undertake are covered by the annual defence budgets. The four programmes are:

1—Continued development of the big RB-211 engine in all its versions, but with special emphasis on two models. One of these is the Dash 524, of 48,000 pounds thrust and upwards, for the long-range versions of the Lockheed TriStar and Boeing 747 Jumbo jet airliners. The Dash 524 is already in quantity production, and about £100m. has been spent on it. The company sees a big continuing long-term

future for this engine, with potential development into the 50,000-pound-thrust class and beyond.

If Boeing and Lockheed continue to develop their aircraft to carry bigger loads (Boeing having plans for up to 1,000-seater Jumbo jets), they will need engines with thrusts of up to 60,000 lbs and even greater. To keep up, Rolls-Royce must continue work on the 524, pushing it to even greater thrusts.

2—Development of the Dash 535 version of the RB-211 — a "derated" or "cropped-fan" model of 32,000 lbs thrust, intended for use in some of the next generation of short-to-medium-range airliners now on

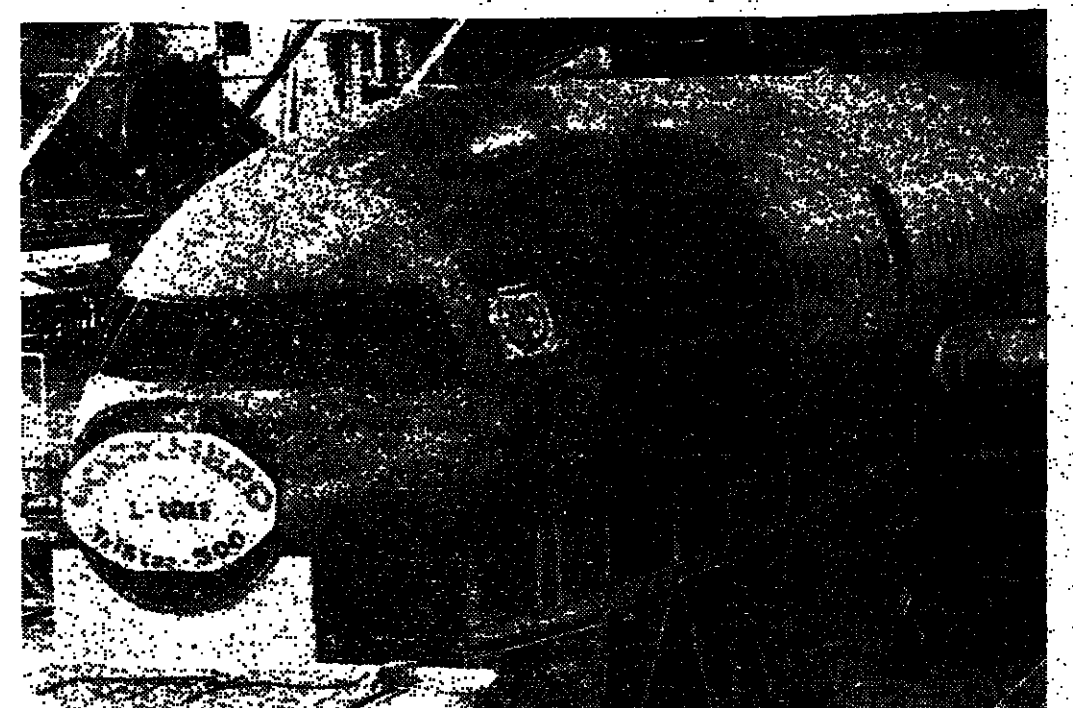
RB-432, of around 20,000 lbs thrust, which would be in effect a replacement for the existing Spey engine, widely used in such short-to-medium range airliners as One-Elevens and Tridents. Such an engine would be ideal for airlines up to the 150-seat category, such as that now being discussed by British Aerospace and its counterparts in France, West Germany and Holland. This market, for the smaller short-to-medium range jets, is one of the biggest of those now emerging, estimated at around 1,000 aircraft up to the 1990, involving between 3,000 and 4,000 engines.

The problem here is that long-term success of the company in the light aircraft field is most heavily in recent years. The overall five-year plan is on the RB-211 family, has left likely to cost not less than

£200m., but because it is in what is likely to be a big "bread and butter" area for the future, it is probably an engine that Rolls-Royce will want to undertake.

4—Another entirely new engine, the RB-401, is intended for business jets (perhaps also adaptable for light combat and training aircraft) in the 5,500 lbs thrust class and upwards. Here also a limited amount of money has been spent, but full engineering development has yet to be authorised. Of all the four programmes mentioned, the RB-401 is probably the lowest on the list, although it could be vital for the continued success of the company.

Rolls-Royce, having concentrated so heavily in recent years on the RB-211 family, has left



One of the aircraft now being offered world-wide with the most powerful version of the Rolls-Royce RB-211 engine, the Dash 524, is the long-range Series 500 Lockheed TriStar, on order for British Airways. The picture shows the Series 500 engineering mock-up at Lockheed's Burbank, California, factory. The Dash 524 is also on offer in the projected Lockheed Series 600 short-to-medium range version of the TriStar, and is in service with the Boeing 747 Jumbo jet.

offer from Boeing and McDonnell Douglas.

Boeing, for example, is offering what it calls its "New Airplane Programme" which envisages a 180-200-seater airliner for short-to-medium ranges that would be available in two versions — one with two engines in the 42,000 lbs thrust class (for which the existing Dash 22 model of the RB-211 might be suitable), and the other with three engines in the 32,000 lbs thrust class, for which the Dash 535 should be ideal. Rolls-Royce has been holding extensive talks with Boeing in recent weeks, in a bid to get its engines chosen, and it has made it clear to the Government that it regards the 535 as one of the engines most likely to need large sums in the immediate future.

3—An entirely new engine, the

development of the RB-432 £400m. to £500m. to implement rather late. It has done some work on it, but nowhere near as much as its rivals. Snecma of France and General Electric of the U.S., have done on the CFM-56, for example, or Pratt and Whitney of the U.S. have done on its model 209 version of the JT-3D, with a new P and W engine, the JT-10D, also now emerging as a competitor in this field.

Thus, it seems that if Rolls-Royce wants to get into this market for a smaller type of short-to-medium range airliner of up to 150 seats, it will have to accelerate work on the RB-432. The company has looked seriously at the possibilities of international collaboration on this engine, especially with Japan, and with Motoren- und Turbinen Union of West Germany. Developing the RB-432 might cost as much as

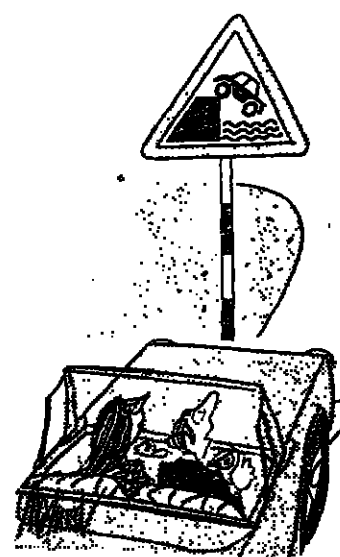
Viscount airliner which came into service in the early 1950s. Spare parts and business on overhauled engines is currently yielding the U.K. over £20m. a year from overseas customers, compared with about £10m. from the sale of new engines.

What is uncertain is whether the Government will be prepared to consider spending simultaneously on all the four major engine programmes mentioned, or if it did, whether Rolls-Royce would have the production resources to cope with them, in addition to its military programmes. It is possible that both Government and the company may have to make a choice in that case, the decision being most likely to be made in favour of Rolls-Royce's own orders for its model 535 version of the RB-211. It may well concentrate on that at the expense of the entirely new RB-432, or vice-versa. At this stage, one knows which way the market will move.

Continuous business

So far, there is no indication of the Government's likely reactions to the five-year plan. It is hardly likely, however, that it will have been surprised by the extent of the programme envisaged. It has always been stressed, since the nationalisation of Rolls-Royce in 1971 following the collapse of the original company, that aerospace manufacture is a continuous, and not a one-off, business, and that in order to keep Rolls-Royce in the "big league" of world engine builders, continuous injections of development and production money would be needed, with no guarantees of immediate substantial profits. This situation has not changed.

The importance of the five-year plan now submitted to the Government and the NEB is that it tries once again to make this fact clear, by identifying the likely major areas of activity, and their respective cash needs. Thus, the Government will have been warned before the company comes seeking development cash in a hurry — as it may well do later this year. What the company would regard as fatal would be for it to win a place in the world market for one or more of its engines, only to have its request for development support rejected, or substantially delayed while the Government debated the request.



"We're either approaching a river or British Leyland."

that Dr. Maurice Goldsmith has been appointed convenor of the steering committee; he is director of the London-based Science Policy Foundation.

It seems that there is a further reason why the UNCSTD project is stirring emotion among the international agencies. Da Costa used to be in the Brazilian team at UNESCO: he is now busy creating a separate scientific empire, and the Paris headquarters of UNESCO — where the "S" also stands for scientific — wonders whether it could soon be downgraded to UNECO.

Firewave warfare

Irish ears were cocked yesterday for Budget news, with tax cuts in prospect. They listened in vain for the state broadcasting monopoly, RTE, because its journalists were on strike. But the capital's boldest airwave pirate, Alternative Radio Dublin, was bringing news hot

from the Dail — despite a police raid in which nearly £10,000 worth of transmitting equipment was carted away yesterday.

This is the latest phase in the bizarre Irish radio war. The residents of Cork are already complaining that they do not have a single pirate station, seeing that Dublin has three. The longest established, Radio Dublin, had its equipment seized by a police squad from a suburban terrace house a fortnight ago. But the businessmen behind this daring venture ensured that that station was quickly back on the air, using the old Radio Caroline frequency. What is more, Irish telephone engineers were busy soon afterwards clearing blocked lines so that the station's phone-in programmes could continue.

Suggestions that Radio Dublin might be driven off the air produced a teenyboppers' protest march to the Leinster House parliament buildings. Politicians soon saw their chance: John Kelly, the former attorney-general, is claiming that the RTE monopoly may not be constitutionally legal. All this is ominous for strike-bound RTE, since the pirates are claiming four times bigger audience ratings and are already luring away its advertisers. Now the formidable Gaelic movement is planning a pirate Irish language station — or even all-Erse TV.

Cheese berg

The first time I learnt that a decent-size hole in the ground can be a very viable commercial property was last September: a globe-trotting group of politicians and businessmen from Missouri extolled the virtues of 4m. square feet of underground limestone caves near Kansas City which a local consortium had transformed into a "foreign trade zone."

Now I hear that a similar, if

somewhat smaller property, lies hidden 1,300 feet below sea level in the Peak District, at Harpur Hill, near Buxton.

Like the caves of Kansas City, which started life as a storage depot for surplus tanks and guns after the Second World War, the Derbyshire caves began life as an Air Ministry bomb and ammunition store.

They then became Europe's largest mushroom farm until that closed down two years ago. The caves' American owners, Country Kitchens, sold out to two local cheese factors, David Birt and Alan Marsden, who decided that the darkness, constant temperature and humidity were ideal for storing cheese. Since then business has boomed to the extent that the phrase "cheese mountain" well known to all EEC-watchers, has taken on a new, literal significance with 5,000 tons of cheese from Holland, Denmark, France, Ireland and Germany stacked up in this subterranean world of tunnels and chambers.

If filled to capacity, Harpur Hill could stockpile 30,000 tons of Cheddar, Edam and the like. Then it would certainly justify the exclamation of a character in a novel by Surtees, after poking his head into a musty cupboard: "Hellish dark, and smells of cheese!"

Natural order?

One of the bitterest issues in South Wales just now centres around the gypsies in Swansea. Attempts by the local authority to give the gypsies a place to establish a permanent camp has met with fierce opposition from tenants' groups. The feelings of the supporters of the gypsies has been in no way soothed by recent advertisements in Welsh newspapers for an "Animal Pound Supervisor / Gypsy Warden."

Now I hear that a similar, if

INSEAD

The European Business School
Fontainebleau, France

MBA Programme
in International Management

230 participants from 30 countries

Scholarships

Available to British citizens.
Candidates should have
university degree or equivalent
professional qualification.
Working languages are English
and French, with
knowledge of German an advantage.

Next programme
starts September and lasts ten months.
Applications by 1st March, 1978.

Admissions: FT
INSEAD
(European Institute of Business Administration)
Boulevard de Constance,
77305 Fontainebleau Cedex, France.

Observer

COMPANY NEWS+COMMENT

Prestige at peak £6.3m. on £55m. sales

A SECOND half advance in taxable earnings from £3.46m. to £3.77m. by Prestige Group expanded the fulltime figure for 1977 by £0.5m. to a record £6.25m. External sales were better at £34.89m. against £34.93m.

Income from short term investments was lower at £232,654 (£231,397) but there was an exchange rate gain this time of £89,642, compared with a deficit of £261,584.

Stated earnings per 25p share were better at 17.38p (15.32p) and the net dividend is stepped up to 3.3845p (3p) with a final of 3.845p.

At year end the balance showed a strong position although cash, short-term investments and loans, net of foreign bank overdrafts, were down to £3.03m. (£3.34m.).

The directors say. This decrease in liquidity, despite the positive cash flow generated from profitable trading, is mainly due to high U.K. corporation tax payments. Total tax, however, amounted to £3.07m. (£2.91m.) representing a decreased percentage charge of 49.1 per cent. (53.3 per cent.).

Spending on fixed assets during the year reached £1.8m. (£1.68m.) and at December 31, fixed assets at cost, less depreciation, totalled £8.86m.

Medium and long term loans were lower at £2.71m. (£3.23m.).

	1977	1976
External sales	£4,990,487	£4,900,482
Trading profit	£3,461,199	£3,457,144
Investment income	£232,654	£231,397
Interest	£413,459	£241,618
Pre-tax profit	£4,107,312	£4,030,161
Tax	£1,030,000	£1,000,000
Net profit	£3,077,312	£3,030,161
To minority	—	—
To capital reserves	£2,778	£2,689
Prof. dividends	£2,418	£2,172
Available	£1,141,417	£1,436,280
Ord. dividends	£1,011,136	£83,206
Retained	£130,281	£1,353,074
Forwarded forward	£1,343,170	£1,476,539

For redemption of Preference shares.

comment

Many of Prestige's kitchen and domestic products (from pots and pans to carpet sweepers and bath-room cabinets) are at the lower priced end of the market and with demand for its goods fairly constant the group has tended to be less susceptible to sharp falls in consumer spending. Conversely, the group is unlikely to show any dramatic growth as spending recovers (stockbrokers Phillips and Drew recently estimated that U.K. spending on durable goods may rise by 12 per cent. in 1978).

Last year Prestige continued its steady but unspectacular progress over seven years (in compound growth over seven years is 12 per cent.) with turn-

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
A.C.E. Machinery	22	8	Plessey	23	1
Arcoelectric	22	6	Prestige Group	22	1
British Dredging	22	2	Radio & Allied	22	6
Centreway	22	5	Record Ridgway	24	1
Drayton Far East	22	4	Scott & Continental	24	7
Hillards	22	7	Sterling Credit	22	3
Jackson (Wm.)	22	6	Turner Manufacturing	22	5
Lowe (Robert)	24	2	Wholesale Fittings	22	4
McKay Securities	23	4	Wearra	23	1
Norwest Holst	24	1	Wiggins Teape	23	4

over and pre-tax profits both rising by 141 per cent. while sales volume increased marginally—and at a time when U.K. volume sales of consumer durable goods fell by around 21 per cent. The faster growth came from overseas where profits are still recovering from a slump in 1975 when profits slipped from £1.33m. to £892,000. Meanwhile the shares (American Home Products Corporation holds 74 per cent. of the equity) yield 3.5 per cent. at 138p and the p/e is 8.9 which appears to be a fair rating given the group's steady, if unexciting, record.

British Dredging loss midway

EXCLUDING unexpected trading losses of £125,000 on certain contracts in the engineering division this time, pre-tax loss of £153,000, against a profit of £40,000, is reported by British Dredging Company for the first half of 1977. Turnover was £0.31m. up at £7.92m.

During the second half the Board concentrated on the elimination of loss-making operations in Dunkirk, Dordrecht and Brugge, together with further economies in the U.K. operation.

The directors will follow a policy of consolidation in 1978 in order to return the group to profitability.

There was an exceptional credit relating to the temporary employment subsidy of £171,000 (£251,000) relating to profit on sale of assets. Receipt of the subsidy is dependent, with other conditions, upon the company adhering to the Government's pay guidelines.

Pauls Federated Merchants, the £3.27 per cent. owned subsidiary was sold during the second six months.

There is no interim dividend.

For 1976 the only payment was a net interim of 0.3p per 25p share.

	Half year	Year
Turnover	£7,920,000	£15,840,000
Trading loss	£125,000	£125,000
Share assets profit	£171,000	£251,000
Except credits	£171,000	£251,000
Development	£171,000	£251,000
Interest	£171,000	£251,000
Exchange loss	£171,000	£251,000
Pre-tax loss	£171,000	£251,000
Tax credit	£171,000	£251,000
Net loss	£171,000	£251,000
Minorities	£171,000	£251,000
Extra-ord. credit	£171,000	£251,000
Profit	£171,000	£251,000

Less: Profit: Charge

Scrip issue by Sterling Credit

To retain a more appropriate balance between the capital and reserves, the directors of Sterling Credit Group, the Cardiff-based instalment credit and banking services concern, propose a scrip issue of two-for-five.

The directors also propose that the rights attaching to 90,000 of the outstanding 240,000 cumulative redeemable second preference shares of £1, all of which are held by the Imperial Group Pension Fund, be varied to make them convertible into Ordinary on the basis of 14 for every three Preference.

This would give the Imperial Pension Fund an 8.5 per cent. holding in the company's equity.

In return, the company is acquiring from certain executives to be satisfied by the issue of 25,000 ordinary shares and £27,750 in cash.

First-half results for the company were reported yesterday.

Wholesale Fittings advances

WITH TURNOVER higher at £7.23m. compared with £5.73m., Wholesale Fittings Company advanced its taxable surplus by £190,000 to £547,000 for the six months to October 29, 1977. For the whole of the previous year, a record £1,281,000 profit was reported.

The directors say that turnover for the first two months of the second half shows an increase over the corresponding period of 1976-77, albeit at a lower rate than that achieved in the first half of the current year.

Stated half-year earnings are 8.9p (6.3p) per 20p share and the interim dividend is stepped up from 1.51p to 2.02p net, absorbing £70,640 (£63,431)—last year's final was 2.45p.

All divisions within the company continued to operate profitably, including the newest depot at Crawley, Sussex, the directors add.

comment

While the domestic side of the electrical industry is suffering the effects of lower consumer spending, Wholesale Fittings' changing emphasis towards the industrial market is paying off handsomely.

First half profits are 44 per cent. higher on a turnover up by 26 per cent. reflecting an increase in volume sales of about 19 per cent. WF's non-domestic business now accounts for about 90 per cent. of group turnover and this looks like increasing further while pay-restraint persists and demand for appliances is weak. In the meantime, while industry is stepping up its plant modernisation programme and becoming more aware of energy conservation, the company has been gaining market share with industrial plugs and sockets, commercial lighting and motor control equipment.

The switch of trading emphasis now means that the Christmas season—a prime trading period in the past—is less important so the traditional seasonal lines over the two halves will now be less marked. The mild weather (until recently) has had its effect on demand for heating, and this has been an inhibiting factor to growth in the second half. Nevertheless, WF looks well placed to beat last year's record profit by a good margin. The shares, at 133p yield 6.7 per cent.

Drayton Far Eastern

For 1977 taxable revenue of Drayton Far Eastern Trust rose marginally from £229,145 to £238,263. After tax of £112,323, against £111,447, net revenue amounted at £125,940 compared with £117,701.

The net final dividend is 0.6p per 25p share making a total payment for the year of 0.9p (0.8p).

As two of the group's subsidiaries, Hydraulics and Pneumatics, and Bazel Equipment, share much in common in their manufacturing processes, the two will be merged into a single company.

Hitherto both these concerns have occupied premises which have limited their manufacturing scope and to some extent, their volume

of output. To facilitate further expansion a lease has been arranged for a purpose-built factory and office block, in Wolverhampton, which will house both companies. The move is planned for the autumn of 1978.

A Statement of Source and Application of Funds shows a decrease in net liquidity of £1,125,000 (£88,000 increase).

Mr. Lancaster will be retiring as chairman after the AGM, which will be held in Wolverhampton on February 26 at 12.30 p.m. He will be succeeded by Sir Monty Pritchard.

Dana Corporation, of Toledo, U.S., holds 35 per cent. of the company.

Expansion by Radio & Allied

For the year to March 31, 1977, Radio and Allied (Holdings) expanded taxable profit from £2,206,426 to £3,551,258, on turnover of £46.32m. compared with £38.43m.

Profit was subject to tax of £1,455,858 (£1,328,548) and dividends absorbed £1,517,550 (£767,550).

The company is a wholly-owned subsidiary of General Electric Co.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
A. C. E. Machinery	0.22	April 6	0.22	3.38	3.00
Arcoelectric	0.22	April 3	0.22	0.41	0.41
British Dredging	0.3	Feb. 28	0.3	10.9	10.9
Centreway	0.16	April 4	0.16	2.58	2.58
Drayton Far Eastern	0.8	April 4	0.8	3.9	3.9
Robert H. Lowe	0.08	March 13	0.08	1.4	1.4
Hillards	0.78	March 22	0.78	4.84	4.84
McKay Securities	0.23	March 23	0.23	5.58	5.58
Plessey	0.23	April 1	0.23	5.27	5.27
Prestige	0.23	April 6	0.23	5.58	5.58
Wholesale Fittings	0.23	April 7	0.23	5.27	5.27

First half leap for Centreway

REPORTING PRE-TAX profits more than doubled from £217,000 to £474,000 for the six months to September 30, 1977, the directors of Centreway, an investment holding company, reaffirm their forecast made in the 1976-77 report that the full-year surplus would show a material improvement over the previous year's £639,000.

First-half turnover advanced to £3.35m. (£2.46m.), while earnings are shown to have jumped from 11.9p to 25.9p per 50p share. The interim dividend is raised to 20.1p (£3.75p) net—last year's final was 5.1p and was followed by a scrip issue of one 11 per cent. Preference share for every two Ordinary.

For the period includes a £33,000 (£38,000) share from an associate. Tax took £246,000 (£112,000) leaving net surplus ahead from £105,000 to £229,000.

Unsecured creditors of David Charles Management Services, which is in voluntary liquidation, will get nothing, the joint liquidators, Thornton Baker and W. H. Cork Gully said yesterday.

In their report to creditors the liquidators state that they have now virtually completed the programme of realisation of assets and the balance in hand is £28,452.

By contrast secured creditors—lenders, Inland Revenue and others—are seeking PAYE and National

A drop in taxable earnings from £199,400 to a record £323,069 was achieved by Arcoelectric (Holdings) for the year to October 31, 1977. Midway profit was down at £174,000, against £197,000.

The net total dividend is maintained at 0.40625p per 5p share with a final of 0.232p. The company has close status.

After tax of £165,707 (£97,795), the directors emerged at £157,382 (£101,665). There is an extraordinary debit this time of £43,153.

The company is active in electric switches and neon signal lamps.

David Charles Management Services

Unsecured creditors of David Charles Management Services, which is in voluntary liquidation, will get nothing, the joint liquidators, Thornton Baker and W. H. Cork Gully said yesterday.

In their report to creditors the liquidators state that they have now virtually completed the programme of realisation of assets and the balance in hand is £28,452.

By contrast secured creditors—lenders, Inland Revenue and others—are seeking PAYE and National

A drop in taxable earnings from £199,400 to a record £323,069 was achieved by Arcoelectric (Holdings) for the year to October 31, 1977. Midway profit was down at £174,000, against £197,000.

The net total dividend is maintained at 0.40625p per 5p share with a final of 0.232p. The company has close status.

After tax of £165,707 (£97,795), the directors emerged at £157,382 (£101,665). There is an extraordinary debit this time of £43,153.

The company is active in electric switches and neon signal lamps.

Turner Mnfg. warns of moderate shortfall

IN HIS last annual statement as chairman of Turner Manufacturing Co., Mr. S. V. Lancaster warns that profits for the current year will show a moderate reduction on the record £3.4m. achieved for the year under review.

He describes the start of the current year as disappointing, and explains that this was due to labour unrest at the company's major U.K. customers and their major suppliers. In addition the difficulties experienced in Turkey continued.

As reported on January 14, the record profits for the year to October 1, 1977, were achieved on turnover ahead from £19.44m. to £23.44m. The ratio of the increase in profit to turnover was 48 per cent. to 29 per cent.

Exports during the period totalled £3.78m. (£4.08m.) which broken down on a geographical basis was as follows: EEC countries £0.59m.; other European countries £1.79m.; North America £2.16m.; Australasia £0.19m.; other markets £0.05m.

As two of the group's subsidiaries, Hydraulics and Pneumatics, and Bazel Equipment, share much in common in their manufacturing processes, the two will be merged into a single company.

Hitherto both these concerns have occupied premises which have limited their manufacturing scope and to some extent, their volume

of output. To facilitate further expansion a lease has been arranged for a purpose-built factory and office block, in Wolverhampton, which will house both companies. The move is planned for the autumn of 1978.

A Statement of Source and Application of Funds shows a decrease in net liquidity of £1,125,000 (£88,000 increase).

Mr. Lancaster will be retiring as chairman after the AGM, which will be held in Wolverhampton on February 26 at 12.30 p.m. He will be succeeded by Sir Monty Pritchard.

Dana Corporation, of Toledo, U.S., holds 35 per cent. of the company.

Expansion by Radio & Allied

For the year to March 31, 1977, Radio and Allied (Holdings) expanded taxable profit from £2,206,426 to £3,551,258, on turnover of £46.32m. compared with £38.43m.

Profit was subject to tax of £1,455,858 (£1,328,548) and dividends absorbed £1,517,550 (£767,550).

The company is a wholly-owned subsidiary of General Electric Co.

Small rise so far by Hillards

REFLECTING THE sharply increased competition which has occurred through the retail sector and the overall decrease in consumer spending, pre-tax profits of supermarketers operators Hillards were only marginally improved from £1.01m. to £1.15m. for the 26 weeks to November 12, 1977. Turnover was higher at £40.91m. against £40.4m.

Trade profits advanced from £892,000 to £955,000, before interest received on short-term deposits of £255,000 (£250,000). Tax was reduced to £44,000 (£53,000) leaving net surplus up from £928,000 to £1.1m.

Stated half year earnings are 19.5p (16.02p) per 10p share and the interim dividend is maintained at 1p net, absorbing £38,242—the previous year's final was £41,321p paid from £2.51m. record profit.

Mr. Gordon Hunter, the chairman, reports that progress is being made in the expansion of new stores. The new superstore at Alfreton, Derbyshire, opened at the end of November and building work has started at Mickleover.

The directors say that, as in the 1976-77 accounts, no provision is being made for deferred tax as no liability is expected to arise in the foreseeable future and consequently the previous half year results have been restated to reflect this procedure.

comment

Hillards' interim figures reflect the pressure on margins following the build-up in the High Street price war since last summer, but the overall results are sound.

Sales are up nearly 19 per cent. which takes in volume growth of 3 to 4 per cent. at a time when the national average is estimated at 4 per cent. Trading profits emerged lower at £163,237 (£170,330).

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25p share.

For the year to October 31, 1977, after showing £1,015,000 (£920,094) net profit, the net dividend is stepped up from 3.03p to 3.38p per 25

Plessey advances to £32m. at nine months

of only 5 per cent. The company's 1977 turnover was £22.9m, up from £21.8m in 1976. Plessey's 1977 profits were £3.2m, up from £2.8m in 1976. The company's 1977 dividend was 10p, up from 9p in 1976. The company's 1977 share price was 100p, up from 90p in 1976. The company's 1977 market capitalisation was £32m, up from £28m in 1976. The company's 1977 sales were £22.9m, up from £21.8m in 1976. The company's 1977 profits were £3.2m, up from £2.8m in 1976. The company's 1977 dividend was 10p, up from 9p in 1976. The company's 1977 share price was 100p, up from 90p in 1976. The company's 1977 market capitalisation was £32m, up from £28m in 1976.

BOARD MEETINGS

The following companies have notified shareholders of their annual general meetings. The meetings will be held on the following dates: Plessey, 28th February 1978; Wiggins Teape, 29th February 1978; McKay Securities, 1st March 1978; Wearra, 2nd March 1978.

Wiggins Teape tops £32m.

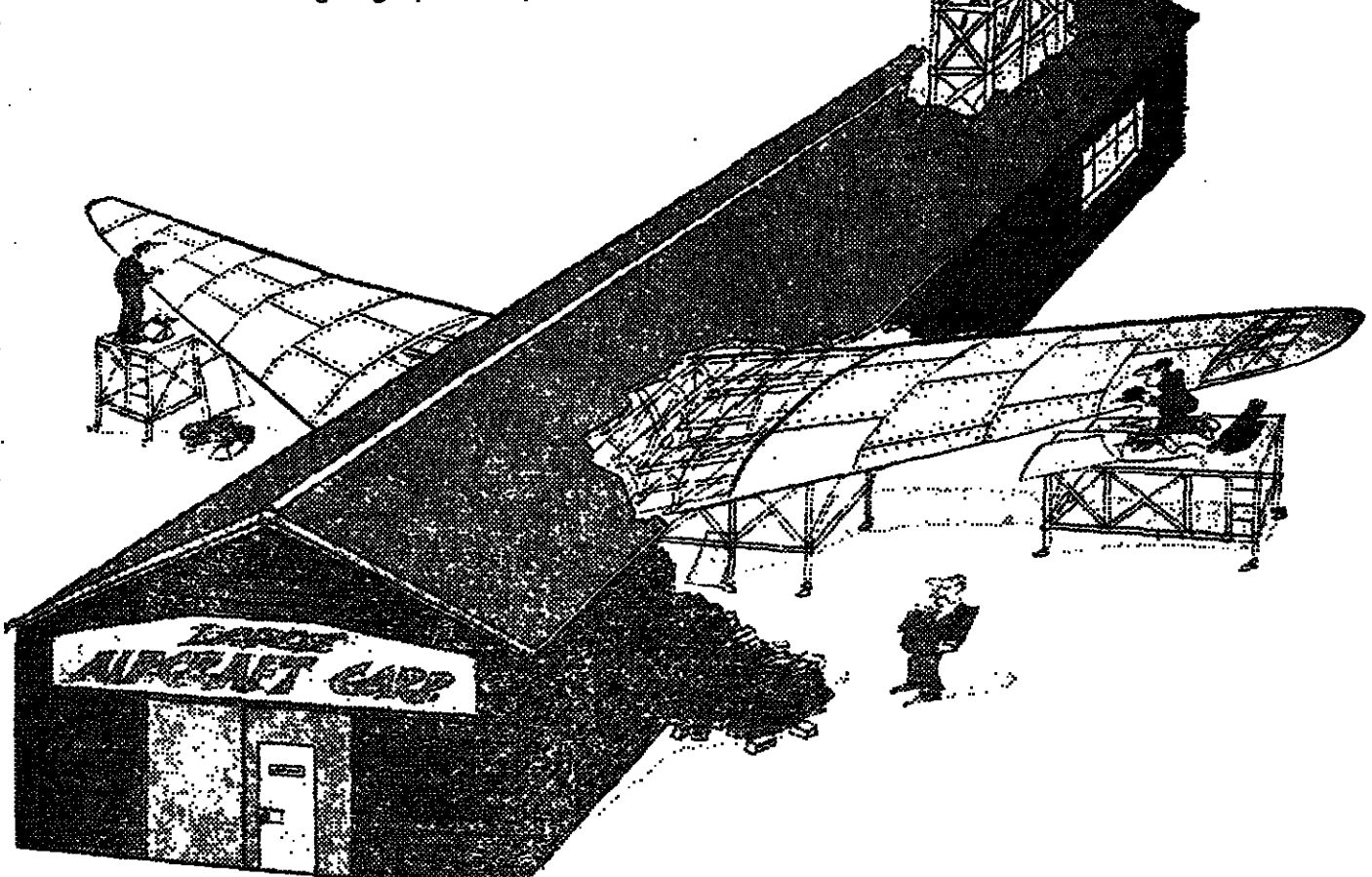
PAPER producers Wiggins Teape Group, a subsidiary of BAT Industries, reports a lean in taxable earnings from £17.8m to £32.3m. The group is also rationalising its aerospace, interests and there will be some redundancies at Romford in the future. The group's 1977 turnover was £32.3m, up from £28.5m in 1976. The group's 1977 profits were £3.2m, up from £2.8m in 1976. The group's 1977 dividend was 10p, up from 9p in 1976. The group's 1977 share price was 100p, up from 90p in 1976. The group's 1977 market capitalisation was £32m, up from £28m in 1976.

	1976-77	1977-78
Sales	28,500	32,300
Trading profit	2,800	3,200
Depreciation	1,200	1,200
Operating profit	1,600	2,000
Share issues	1,000	1,000
Interest received	1,000	1,000
Interest paid	1,000	1,000
Rationalisation costs	1,000	1,000
Pre-tax profit	2,600	3,000
Current tax	1,000	1,000
Net profit	1,600	2,000
Dividends	1,000	1,000
Retained	600	1,000

The comparative figures are those for the group last year and relate to Wiggins Teape, as the previous parent company, and its subsidiaries. Following reorganisation in 1977 Wiggins Teape is now a subsidiary of Wiggins Teape Group.

One of our most important services is telling you what not to lease.

Some of our most valuable advice is concerned with what our clients shouldn't do. What factory premises not to rent or buy. Which location not to select for your office. What property not to invest in. Why it wouldn't be a very profitable idea to choose that particular site for development. In most cases, this advice involves professional skills and experience that our clients can't possibly expect to possess themselves. Which is why they come to firms like ours in the first place. For nearly 150 years, St. Quintin, Son & Stanley have been providing surveying, valuation and estate agency services to companies in every field of commerce and industry. Today, we can offer a country-wide service in the U.K. (from offices in London and Leeds), as well as all the help you need in Europe (through our Brussels-based company). If your plans in any of these areas involve property, the snags you can't foresee now could be the best reason of all for getting experienced professional advice.



St Quintin
Chartered Surveyors
Vinty House, Queen Street Place,
London EC4R 1ES.
Telephone: 01-236 4040. Telex: 8812619
and at 1a Park Place, Leeds 1. Telephone: 0532 480235

Continued progress for Wearra

TH A best-ever order book including Scandinavia and USSR, £463 (£177); Africa and Middle East £288 (£137) and other countries £107 (£52). The company's 1977 turnover was £107, up from £90 in 1976. The company's 1977 profits were £10, up from £8 in 1976. The company's 1977 dividend was 10p, up from 9p in 1976. The company's 1977 share price was 100p, up from 90p in 1976. The company's 1977 market capitalisation was £100m, up from £90m in 1976.

McKay Secs. moves ahead at six months

For the year to March 31, 1978, the directors of McKay Securities are forecasting profits in the region of £224,000, compared with £231,000, and expect to recommend an increased final dividend depending on legislation at that time. The company's 1977 turnover was £224, up from £210 in 1976. The company's 1977 profits were £22, up from £20 in 1976. The company's 1977 dividend was 10p, up from 9p in 1976. The company's 1977 share price was 100p, up from 90p in 1976. The company's 1977 market capitalisation was £220m, up from £210m in 1976.

The group has adopted the draft recommendations of ED19 and, as a result, provision has only been made for tax that will become payable in the foreseeable future. See Lex

	1976-77	1977-78
Sales	210,000	224,000
Trading profit	20,000	22,000
Depreciation	1,000	1,000
Operating profit	19,000	21,000
Share issues	1,000	1,000
Interest received	1,000	1,000
Interest paid	1,000	1,000
Rationalisation costs	1,000	1,000
Pre-tax profit	19,000	21,000
Current tax	1,000	1,000
Net profit	18,000	20,000
Dividends	1,000	1,000
Retained	17,000	19,000

The company's business is that of property investment. First half 1977: 1977-78: 1976-77: 1975-76: 1974-75: 1973-74: 1972-73: 1971-72: 1970-71: 1969-70: 1968-69: 1967-68: 1966-67: 1965-66: 1964-65: 1963-64: 1962-63: 1961-62: 1960-61: 1959-60: 1958-59: 1957-58: 1956-57: 1955-56: 1954-55: 1953-54: 1952-53: 1951-52: 1950-51: 1949-50: 1948-49: 1947-48: 1946-47: 1945-46: 1944-45: 1943-44: 1942-43: 1941-42: 1940-41: 1939-40: 1938-39: 1937-38: 1936-37: 1935-36: 1934-35: 1933-34: 1932-33: 1931-32: 1930-31: 1929-30: 1928-29: 1927-28: 1926-27: 1925-26: 1924-25: 1923-24: 1922-23: 1921-22: 1920-21: 1919-20: 1918-19: 1917-18: 1916-17: 1915-16: 1914-15: 1913-14: 1912-13: 1911-12: 1910-11: 1909-10: 1908-09: 1907-08: 1906-07: 1905-06: 1904-05: 1903-04: 1902-03: 1901-02: 1900-01: 1899-00: 1898-99: 1897-98: 1896-97: 1895-96: 1894-95: 1893-94: 1892-93: 1891-92: 1890-91: 1889-90: 1888-89: 1887-88: 1886-87: 1885-86: 1884-85: 1883-84: 1882-83: 1881-82: 1880-81: 1879-80: 1878-79: 1877-78: 1876-77: 1875-76: 1874-75: 1873-74: 1872-73: 1871-72: 1870-71: 1869-70: 1868-69: 1867-68: 1866-67: 1865-66: 1864-65: 1863-64: 1862-63: 1861-62: 1860-61: 1859-60: 1858-59: 1857-58: 1856-57: 1855-56: 1854-55: 1853-54: 1852-53: 1851-52: 1850-51: 1849-50: 1848-49: 1847-48: 1846-47: 1845-46: 1844-45: 1843-44: 1842-43: 1841-42: 1840-41: 1839-40: 1838-39: 1837-38: 1836-37: 1835-36: 1834-35: 1833-34: 1832-33: 1831-32: 1830-31: 1829-30: 1828-29: 1827-28: 1826-27: 1825-26: 1824-25: 1823-24: 1822-23: 1821-22: 1820-21: 1819-20: 1818-19: 1817-18: 1816-17: 1815-16: 1814-15: 1813-14: 1812-13: 1811-12: 1810-11: 1809-10: 1808-09: 1807-08: 1806-07: 1805-06: 1804-05: 1803-04: 1802-03: 1801-02: 1800-01: 1799-00: 1798-99: 1797-98: 1796-97: 1795-96: 1794-95: 1793-94: 1792-93: 1791-92: 1790-91: 1789-90: 1788-89: 1787-88: 1786-87: 1785-86: 1784-85: 1783-84: 1782-83: 1781-82: 1780-81: 1779-80: 1778-79: 1777-78: 1776-77: 1775-76: 1774-75: 1773-74: 1772-73: 1771-72: 1770-71: 1769-70: 1768-69: 1767-68: 1766-67: 1765-66: 1764-65: 1763-64: 1762-63: 1761-62: 1760-61: 1759-60: 1758-59: 1757-58: 1756-57: 1755-56: 1754-55: 1753-54: 1752-53: 1751-52: 1750-51: 1749-50: 1748-49: 1747-48: 1746-47: 1745-46: 1744-45: 1743-44: 1742-43: 1741-42: 1740-41: 1739-40: 1738-39: 1737-38: 1736-37: 1735-36: 1734-35: 1733-34: 1732-33: 1731-32: 1730-31: 1729-30: 1728-29: 1727-28: 1726-27: 1725-26: 1724-25: 1723-24: 1722-23: 1721-22: 1720-21: 1719-20: 1718-19: 1717-18: 1716-17: 1715-16: 1714-15: 1713-14: 1712-13: 1711-12: 1710-11: 1709-10: 1708-09: 1707-08: 1706-07: 1705-06: 1704-05: 1703-04: 1702-03: 1701-02: 1700-01: 1699-00: 1698-99: 1697-98: 1696-97: 1695-96: 1694-95: 1693-94: 1692-93: 1691-92: 1690-91: 1689-90: 1688-89: 1687-88: 1686-87: 1685-86: 1684-85: 1683-84: 1682-83: 1681-82: 1680-81: 1679-80: 1678-79: 1677-78: 1676-77: 1675-76: 1674-75: 1673-74: 1672-73: 1671-72: 1670-71: 1669-70: 1668-69: 1667-68: 1666-67: 1665-66: 1664-65: 1663-64: 1662-63: 1661-62: 1660-61: 1659-60: 1658-59: 1657-58: 1656-57: 1655-56: 1654-55: 1653-54: 1652-53: 1651-52: 1650-51: 1649-50: 1648-49: 1647-48: 1646-47: 1645-46: 1644-45: 1643-44: 1642-43: 1641-42: 1640-41: 1639-40: 1638-39: 1637-38: 1636-37: 1635-36: 1634-35: 1633-34: 1632-33: 1631-32: 1630-31: 1629-30: 1628-29: 1627-28: 1626-27: 1625-26: 1624-25: 1623-24: 1622-23: 1621-22: 1620-21: 1619-20: 1618-19: 1617-18: 1616-17: 1615-16: 1614-15: 1613-14: 1612-13: 1611-12: 1610-11: 1609-10: 1608-09: 1607-08: 1606-07: 1605-06: 1604-05: 1603-04: 1602-03: 1601-02: 1600-01: 1599-00: 1598-99: 1597-98: 1596-97: 1595-96: 1594-95: 1593-94: 1592-93: 1591-92: 1590-91: 1589-90: 1588-89: 1587-88: 1586-87: 1585-86: 1584-85: 1583-84: 1582-83: 1581-82: 1580-81: 1579-80: 1578-79: 1577-78: 1576-77: 1575-76: 1574-75: 1573-74: 1572-73: 1571-72: 1570-71: 1569-70: 1568-69: 1567-68: 1566-67: 1565-66: 1564-65: 1563-64: 1562-63: 1561-62: 1560-61: 1559-60: 1558-59: 1557-58: 1556-57: 1555-56: 1554-55: 1553-54: 1552-53: 1551-52: 1550-51: 1549-50: 1548-49: 1547-48: 1546-47: 1545-46: 1544-45: 1543-44: 1542-43: 1541-42: 1540-41: 1539-40: 1538-39: 1537-38: 1536-37: 1535-36: 1534-35: 1533-34: 1532-33: 1531-32: 1530-31: 1529-30: 1528-29: 1527-28: 1526-27: 1525-26: 1524-25: 1523-24: 1522-23: 1521-22: 1520-21: 1519-20: 1518-19: 1517-18: 1516-17: 1515-16: 1514-15: 1513-14: 1512-13: 1511-12: 1510-11: 1509-10: 1508-09: 1507-08: 1506-07: 1505-06: 1504-05: 1503-04: 1502-03: 1501-02: 1500-01: 1499-00: 1498-99: 1497-98: 1496-97: 1495-96: 1494-95: 1493-94: 1492-93: 1491-92: 1490-91: 1489-90: 1488-89: 1487-88: 1486-87: 1485-86: 1484-85: 1483-84: 1482-83: 1481-82: 1480-81: 1479-80: 1478-79: 1477-78: 1476-77: 1475-76: 1474-75: 1473-74: 1472-73: 1471-72: 1470-71: 1469-70: 1468-69: 1467-68: 1466-67: 1465-66: 1464-65: 1463-64: 1462-63: 1461-62: 1460-61: 1459-60: 1458-59: 1457-58: 1456-57: 1455-56: 1454-55: 1453-54: 1452-53: 1451-52: 1450-51: 1449-50: 1448-49: 1447-48: 1446-47: 1445-46: 1444-45: 1443-44: 1442-43: 1441-42: 1440-41: 1439-40: 1438-39: 1437-38: 1436-37: 1435-36: 1434-35: 1433-34: 1432-33: 1431-32: 1430-31: 1429-30: 1428-29: 1427-28: 1426-27: 1425-26: 1424-25: 1423-24: 1422-23: 1421-22: 1420-21: 1419-20: 1418-19: 1417-18: 1416-17: 1415-16: 1414-15: 1413-14: 1412-13: 1411-12: 1410-11: 1409-10: 1408-09: 1407-08: 1406-07: 1405-06: 1404-05: 1403-04: 1402-03: 1401-02: 1400-01: 1399-00: 1398-99: 1397-98: 1396-97: 1395-96: 1394-95: 1393-94: 1392-93: 1391-92: 1390-91: 1389-90: 1388-89: 1387-88: 1386-87: 1385-86: 1384-85: 1383-84: 1382-83: 1381-82: 1380-81: 1379-80: 1378-79: 1377-78: 1376-77: 1375-76: 1374-75: 1373-74: 1372-73: 1371-72: 1370-71: 1369-70: 1368-69: 1367-68: 1366-67: 1365-66: 1364-65: 1363-64: 1362-63: 1361-62: 1360-61: 1359-60: 1358-59: 1357-58: 1356-57: 1355-56: 1354-55: 1353-54: 1352-53: 1351-52: 1350-51: 1349-50: 1348-49: 1347-48: 1346-47: 1345-46: 1344-45: 1343-44: 1342-43: 1341-42: 1340-41: 1339-40: 1338-39: 1337-38: 1336-37: 1335-36: 1334-35: 1333-34: 1332-33: 1331-32: 1330-31: 1329-30: 1328-29: 1327-28: 1326-27: 1325-26: 1324-25: 1323-24: 1322-23: 1321-22: 1320-21: 1319-20: 1318-19: 1317-18: 1316-17: 1315-16: 1314-15: 1313-14: 1312-13: 1311-12: 1310-11: 1309-10: 1308-09: 1307-08: 1306-07: 1305-06: 1304-05: 1303-04: 1302-03: 1301-02: 1300-01: 1299-00: 1298-99: 1297-98: 1296-97: 1295-96: 1294-95: 1293-94: 1292-93: 1291-92: 1290-91: 1289-90: 1288-89: 1287-88: 1286-87: 1285-86: 1284-85: 1283-84: 1282-83: 1281-82: 1280-81: 1279-80: 1278-79: 1277-78: 1276-77: 1275-76: 1274-75: 1273-74: 1272-73: 1271-72: 1270-71: 1269-70: 1268-69: 1267-68: 1266-67: 1265-66: 1264-65: 1263-64: 1262-63: 1261-62: 1260-61: 1259-60: 1258-59: 1257-58: 1256-57: 1255-56: 1254-55: 1253-54: 1252-53: 1251-52: 1250-51: 1249-50: 1248-49: 1247-48: 1246-47: 1245-46: 1244-45: 1243-44: 1242-43: 1241-42: 1240-41: 1239-40: 1238-39: 1237-38: 1236-37: 1235-36: 1234-35: 1233-34: 1232-33: 1231-32: 1230-31: 1229-30: 1228-29: 1227-28: 1226-27: 1225-26: 1224-25: 1223-24: 1222-23: 1221-22: 1220-21: 1219-20: 1218-19: 1217-18: 1216-17: 1215-16: 1214-15: 1213-14: 1212-13: 1211-12: 1210-11: 1209-10: 1208-09: 1207-08: 1206-07: 1205-06: 1204-05: 1203-04: 1202-03: 1201-02: 1200-01: 1199-00: 1198-99: 1197-98: 1196-97: 1195-96: 1194-95: 1193-94: 1192-93: 1191-92: 1190-91: 1189-90: 1188-89: 1187-88: 1186-87: 1185-86: 1184-85: 1183-84: 1182-83: 1181-82: 1180-81: 1179-80: 1178-79: 1177-78: 1176-77: 1175-76: 1174-75: 1173-74: 1172-73: 1171-72: 1170-71: 1169-70: 1168-69: 1167-68: 1166-67: 1165-66: 1164-65: 1163-64: 1162-63: 1161-62: 1160-61: 1159-60: 1158-59: 1157-58: 1156-57: 1155-56: 1154-55: 1153-54: 1152-53: 1151-52: 1150-51: 1149-50: 1148-49: 1147-48: 1146-47: 1145-46: 1144-45: 1143-44: 1142-43: 1141-42: 1140-41: 1139-40: 1138-39: 1137-38: 1136-37: 1135-36: 1134-35: 1133-34: 1132-33: 1131-32: 1130-31: 1129-30: 1128-29: 1127-28: 1126-27: 1125-26: 1124-25: 1123-24: 1122-23: 1121-22: 1120-21: 1119-20: 1118-19: 1117-18: 1116-17: 1115-16: 1114-15: 1113-14: 1112-13: 1111-12: 1110-11: 1109-10: 1108-09: 1107-08: 1106-07: 1105-06: 1104-05: 1103-04: 1102-03: 1101-02: 1100-01: 1099-00: 1098-99: 1097-98: 1096-97: 1095-96: 1094-95: 1093-94: 1092-93: 1091-92: 1090-91: 1089-90: 1088-89: 1087-88: 1086-87: 1085-86: 1084-85: 1083-84: 1082-83: 1081-82: 1080-81: 1079-80: 1078-79: 1077-78: 1076-77: 1075-76: 1074-75: 1073-74: 1072-73: 1071-72: 1070-71: 1069-70: 1068-69: 1067-68: 1066-67: 1065-66: 1064-65: 1063-64: 1062-63: 1061-62: 1060-61: 1059-60: 1058-59: 1057-58: 1056-57: 1055-56: 1054-55: 1053-54: 1052-53: 1051-52: 1050-51: 1049-50: 1048-49: 1047-48: 1046-47: 1045-46: 1044-45: 1043-44: 1042-43: 1041-42: 1040-41: 1039-40: 1038-39: 1037-38: 1036-37: 1035-36: 1034-35: 1033-34: 1032-33: 1031-32: 1030-31: 1029-30: 1028-29: 1027-28: 1026-27: 1025-26: 1024-25: 1023-24: 1022-23: 1021-22: 1020-21: 1019-20: 1018-19: 1017-18: 1016-17: 1015-16: 1014-15: 1013-14: 1012-13: 1011-12: 1010-11: 1009-10: 1008-09: 1007-08: 1006-07: 1005-06: 1004-05: 1003-04: 1002-03: 1001-02: 1000-01: 999-00: 998-99: 997-98: 996-97: 995-96: 994-95: 993-94: 992-93: 991-92: 990-91: 989-90: 988-89: 987-88: 986-87: 985-86: 984-85: 983-84: 982-83: 981-82: 980-81: 979-80: 978-79: 977-78: 976-77: 975-76: 974-75: 973-74: 972-73: 971-72: 970-71: 969-70: 968-69: 967-68: 966-67: 965-66: 964-65: 963-64: 962-63: 961-62: 960-

24
● NEWS ANALYSIS — INTEREUROPEAN PROPERTY

All promises but no shine

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

Mr. Laurie Marsh's Intereurope Property Holdings may be in danger of exhausting shareholders' patience by predicting so many false dawns. In recent years shareholders have been promised "uninterrupted growth," told of their directors' "confidence in the future," and given forecasts of a future that can "be regarded with confidence." In fact, apart from movements sparked by speculative share speculation, shareholders have so far seen a pretty dismal earnings record.

Exceptional losses in 1974 forced the group £13.3m. into the red before tax. The following year a £74,000 pre-tax profit looked rather less appealing after considering a £353,000 unrealised exchange loss. And in 1976 exchange losses and higher interest costs turned the profit into a £1.1m. loss before tax.

Yesterday Intereurope announced its results for the year to the end of July 1977. The group's turnover rose by £1m. to £11.9m. pre-tax loss and a capital

loss of around £2.3m. following the sale of the bulk of the group's French properties. Despite the results, the shares closed unchanged at 33p last night.

The 1976-77 figures make depressing reading. Interest charges rose from £2.5m. to £2.95m., and currency exchange losses cost £212,000, against £102,000. The £2.3m. capital loss following the French property sales slices 20p a share from the group's net worth, reducing net assets to around 65p a share. Only a nominal dividend of 0.1p a share was paid at the half year stage, and Intereurope plans no further dividend payments for the year.

Mr. Marsh, chairman, chief executive and major shareholder, is not dismayed by the results. He points out that although the £1.1m. sale of French properties did not turn out to be anywhere near as swift or as profitable as he had hoped, the disposal takes £2.3m. of last year's interest charges from the current year's revenue account, and in his view eliminates the possibility of future exchange losses.

Without the French loans Mr. Marsh feels that things are "more rosy than they have been for four or five years." He reports that the Classic Cinema chain is now producing record profits, which will be aided this year by the recent opening of the group's new multi-screen cinema in Oxford Street. And he promises a far more encouraging picture of group performance when he publishes half year figures to the end of January 1978.

Mr. Marsh says that Intereurope's small U.S. property dealing business, performing well, and that the leisure operations in Britain, primarily the rental of bingo halls to Mecca, are showing improved profitability.

This time, now that the French debt burden has been shed, albeit very expensively, Mr. Marsh will have to convince shareholders that the company is a viable proposition. But shareholders will have to wait the half year figures to know whether Intereurope's luck, resulting in an unfortunate run of on-off deals, on-off bids, and general air of far from fulfilled promise, has finally changed.

Record Ridgway looks for 'real' growth this year

A CONTINUING reduction in growth in historical cost terms offset by a significant uplift in "real" profits, as expressed on current cost basis, is expected in the coming year at Ridgway, the chairman.

He points out in his annual statement that the results of many companies in the past few years have been grossly distorted by stock prices, in particular, and declining inflation will cut these sharply in the immediate future with resultant erosion of historical profit.

In contrast a valid and uniform reporting of real performance on current cost basis might well show sharply rising real profits.

As reported on December 22, on sales of £17.7m. (£15.32m.) historical taxable earnings advanced to £2.1m. (£1.96m.) for the year to October 28, 1977.

Restated on current cost terms profit was ahead from £963,000 to £1.1m., after extra depreciation of revalued assets of £136,000 (£113,000) and a cost of sales of £1.1m. (£883,000).

For the time being the company has suspended its attempts to establish a base in continental Europe. The very depressed state of trade and considerable overcapacity in many of the continental companies visited by the directors did not create a favourable climate for the group's own plans, Mr. Hampton explains.

The net dividend is stepped up to 4.5p (£0.0387) per 25p share. A one-for-four rights issued to support a capital expansion programme, which will cost £5.1m. by the end of 1980, was 5.7p per cent. subscribed and produced net proceeds of £1.49m.

At year end bank overdrafts

Robert Lowe hits peak £0.4m.

THE SATISFACTORY YEAR forecast by the directors of clothing manufacturers Robert H. Lowe and Co. materialised, and from turnover ahead from £3.8m. to £4.39m., taxable profits for the 12 months to October 28, 1977, advanced from £354,273 to a record £440,332.

At the interim stage, when the projection was made, the profit improvement was from £169,113 to £233,565.

Yearly earnings per 25p share are shown to have risen from 10.32p to 12.92p and the final dividend is 12.92p.

Norwest Holst loses appeal

Norwest Holst, the building and civil engineering concern, yesterday lost its appeal, which it successful would have blocked a Department of Trade inquiry into the affairs of the company.

Dismissing the company's appeal against an earlier High Court decision to strike out Norwest's effort to stop the inquiry, Lord Denning, Master of the Rolls, said at the Appeal Court yesterday: "It is simply because companies are beyond reach of the ordinary individual that it is necessary that there should be vigilance to see that those in control behave themselves properly."

Last July Mr. Justice Foster rejected the company's contention that the Trade Secretary's appointment of two inspectors—Mr. Lewis Davies, QC, and Mr. Thomas Harding, a chartered accountant—to conduct the investigation was invalid because of his refusal to state his reasons for ordering the inquiry.

Lord Denning said it was not a case of a government department deciding the rights or wrongs of a matter. They were investigating the matter as an inquiry and a good administrative arrangement. As long as the Minister concerned acted in good faith it was not necessary for him to disclose the reasons for ordering an inquiry.

The Minister was not bound to disclose the information he had before making an order, and

MECCA DEALS WITH PLEASURAMA

The specialisation of Mecca in London casinos and Pleasurama in provincial casinos is intensified by two deals just announced.

At present, Pleasurama owns 49 per cent. and Mecca 51 per cent. of Templelock, a company operating the AM Casino. As announced on June 20, the AM Casino is to be closed and the licence transferred to premises five times larger in the Ritz Hotel.

Pleasurama's stake in Templelock is to be reduced to 23 per cent. and Mecca's correspondingly increased to 77 per cent. The consideration which Pleasurama is receiving for the reduction of its share is £30,000 and Mecca's undertaking to provide Templelock with all the capital required, which is expected to exceed £1m.

The Board of Pleasurama believes this is a "most advantageous transaction" and that profits from the reduced stake in the Ritz Casino will be greater in the future than they could conceivably have been from the existing stake in AM Casino.

MARLER ESTATES LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.

All documents for registration and correspondence should in future be sent to:

Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea,
Worthing, West Sussex BN12 6DA.
Telephone: Worthing 502541
(STD Code 0903).

MESSRS. COPELAND & COMPANY,
Secretaries.

BIDS AND DEALS

Tilling offers £3m. for Liner

Thomas Tilling, one of the largest industrial holding companies in the U.K., has emerged as the bidder for Liner Concrete, the construction equipment specialist.

The bid, recommended by Liner's directors, is supported by Ferguson Industrial Holdings which intends to accept in respect of its 39.9 per cent. shareholding, takes the form of a share swap. On offer are 4 Ordinary 20p shares of Tilling for every 13 Ordinary 10p shares of Liner. With Tilling shares standing at 104p, this values each Liner share at 32p, placing a total value on the company of £3.1m. Liner's shares stand at 31p.

Those Liner shareholders who take up the Tilling offer will be entitled to the Tilling final dividend. This is expected to be the maximum possible of 2.315p net, which would be payable in or around May 1978.

Accepting shareholders are also entitled to retain the Liner final dividend of 0.7586p net for the year ending August 31, 1977, which is payable on February 15.

Mr. Christopher Bostock, a senior executive with Tilling who will become chairman of Liner, said yesterday that Liner would extend Tilling's own construction materials and services activities. "Liner is a group with a good reputation. And we were particularly attracted by the Giraffe site placing equipment which has a leading position inside the construction industry."

The present chairman, Mr. P. S. Field, will be appointed chief executive and the other executive directors will continue with their present responsibilities.

comment

Tilling's offer for Liner was not what some punters had been banking on. The shares had touched 38p on the announcement that talks were being placed with an unnamed party in mid-January. But with net assets at Liner of 37.8p including deferred tax or 34.9p excluding intangibles, the offer looks fair enough.

But the offer for Liner was uninspiring—down from £702,000 to £336,000 on turnover of £732m. compared with £82m. And the company is faced with a depressed and competitive construction materials market. Moreover high operational costs from an ambitious research and development programme and rising work-

comment

Tilling's offer for Liner was not what some punters had been banking on. The shares had touched 38p on the announcement that talks were being placed with an unnamed party in mid-January. But with net assets at Liner of 37.8p including deferred tax or 34.9p excluding intangibles, the offer looks fair enough.

But the offer for Liner was uninspiring—down from £702,000 to £336,000 on turnover of £732m. compared with £82m. And the company is faced with a depressed and competitive construction materials market. Moreover high operational costs from an ambitious research and development programme and rising work-

Slough Estates new German development

The industrial property development company, Slough Estates, is spending £2m. on a new development in Germany. It has bought a six-acre site in Cologne-Portz and plans to develop 150,000 square feet of industrial and warehouse buildings in phases. Total cost of the programme, including the land, will be around £2m.

The site is virtually adjacent to another 44-acre industrial estate, owned by Slough, where there is some 80,000 square feet of space all let. The company states that a substantial part of the first phase of the new scheme has also been pre-let.

The earlier site was originally a joint venture carried out with Mackenzie Hill who will be the project managers for the new scheme.

For some years the two companies jointly owned a company called Anglo German Industrial Developments. Now Slough has bought out MH's 50 per cent. interest in Anglo German thereby acquiring full control of its main asset, the 50,000 square foot estate near the new site.

PRIDE & CLARKE

Pre-tax profits of Pride and Clarke for 1976-77 would have been £300,000 higher if Toyota cars had been imported via Sheerness rather than Dover for the whole financial year, instead of only three months. The chairman of Pride and Clarke, Mr. A. Clarke, makes this assertion in his bid to shareholders to include Inchcape's takeover offer document.

Mr. Clarke recommends the offer, saying that 92 per cent. of Pride and Clarke's profits in 1976-77 came from importing and distributing Toyota vehicles, and "the long-term future of Pride and Clarke and its employees can best be secured by becoming part of a larger group with more diversified interests." Inchcape

MINING NEWS

Inco settles battery problems in U.S.

BY PAUL CHEESBROUGH

diversification programme under way by Inco of Canada, the world's largest nickel producer, has been left intact by a decision handed down from the federal district court of Philadelphia.

Inco's acquisition in 1974 of ESB Inc., the U.S. battery manufacturer whose brand names include Exide, for \$234m. (£130m.), became the subject of a U.S. Justice Department anti-trust investigation. This led to a Justice Department suit, seeking divestiture under the terms of the Clayton Anti-Trust Act.

The Philadelphia court has now approved an arrangement reached by Inco and the Justice Department, which allows Inco to hold on to ESB, subject to certain restraints.

The agreement provides for Inco and its subsidiaries to grant licences on certain battery-related patents and forbids Inco from acquiring other battery manufacturers for a period of 10 years without the clearance of the U.S. Government or the court.

Despite the restrictions, the court's approval of the arrangement will come as a relief to Inco. ESB provides an important source of subsidiary revenue and helps to offset the profit-crippling conditions of the international nickel market.

Inco's net earnings in the first three quarters of 1977 were down to \$65m. (£48.7m.) against \$136m. over the same period of 1976. But net earnings measured as a percentage of sales in the September quarter last year were restricted to 4.8 per cent. compared with 17.7 per cent. in the peak year of 1974.

It was in order "to temper the extreme ups and downs of the metals business," as Inco put it last year, that the group embarked on its diversification programme. The purchase of ESB

'Let the mines take the risk'

ONTARIO HYDRO's uranium supply contracts with Preston Mines of the Rio Tinto-Zinc group and Denison Mines represent "the best deal possible" for the province's power consumers "in a difficult negotiating situation." This is the view of Ontario's new energy minister, Mr. Reuben Bast, reports our Toronto correspondent.

The minister said that suggestions by critics that the two contracts would yield windfall profits to mines were "tongue-in-cheek." Mr. Bast went on to say that it was only supply and demand for uranium which could determine that "and it is up to the Government can, and will, correct windfall profits."

The contracts, as already reported, call for deliveries of 196m. lbs. of uranium over 10 years, at 7.2m. lbs. by Preston, Ontario Hydro, a Crown Agency, "has seriously studied" the uranium mine during its negotiations but had concluded that action held risks and implications which were not fair for Hydro users to assume.

The minister added "without some profits, money remains in everybody's pockets, minerals stay in the ground and the unemployed walk the streets." The last was a reference to "the hundreds of jobs, which the contracts" would create in Ontario over the next 40 years.

TANJONG AND IDRIS TIN

Preliminary profit estimates for 1977 from two of the smaller Malaysian tin producers make a mixed showing. The single-dredge Tanjong, which produced only 3,000 tonnes of concentrates last year compared with 283 tonnes in 1976, rather more than maintained its 1977 mine earnings thanks to the higher tin price received.

But the previous year's results benefited from a dividend on the result that the 1976 profit amounted to £350,533 compared with £202,000 for 1975. Tanjong raised its dividend total for 1977 by 0.5p to 4.5p.

In the case of Idris production last year totalled 202 tonnes compared with 274 tonnes in 1976 but the latter year's results were hampered by its diversification programme. The purchase of ESB

CLIFTON STAKE CHANGES HANDS

As forecast last month, the 54 per cent. stake held by Acrefield in Clifton Investments, following its successful bid for the company in 1973, has been sold. The purchasers are Mr. E. G. L. Carter (24.1 per cent.) and Mr. J. C. Green (29.9 per cent.).

Mr. Green and Mr. T. M. Sheaf have now been appointed to the Clifton Board and the Board of its subsidiary Bridgewater Investments. Lord Hirschfeld has resigned from Clifton and Mr. M. A. Jordan and Mr. R. W. Hargreaves have resigned from both Boards.

Acrefield said last month that the purchasers were not acting in concert and did not intend to make a full bid for Clifton.

ASSOCIATES DEALS

On Tuesday James Warren sold 5,000 Talbot Group Ordinary shares at 21p for an associate.

W. I. Carr, Sons and Co. bought 100,850 Penn's Ordinary at 84p and sold 25,000 Colson Leirud Ordinary at 124p and 900 new Ordinary at 121p on behalf of associates of the firm.

N. M. Rothchild and Sons purchased the following Harrods Investments Trust Ordinary for the under-named group of associates

Higherott Investment Trust—Miss M. Price has disposed of 70,000 shares, thereby reducing her holding to 192,731 shares. N. A. Smith has acquired 14,320 in a beneficial capacity and 2,300 in a non-beneficial capacity, thereby increasing his interest to 58,625 and 17,500, respectively. Kingdome has acquired 6,712 shares increasing its holding to 202,988 (7.48 per cent.). Mr. S. Price has disposed of 10,000 shares reducing his interest to 183,577 (6.78 per cent.).

ELSWICK HOPPER

The directors of Elswick Hopper, in a circular concerning the acquisition of B. H. Brown and Falcon Cycles, state that trading for the six months to January 1978 has continued satisfactory in all divisions, although agricultural machinery sales have in recent months been less than those of last year's exceptionally high level.

The directors are recommending a dividend for the year, nevertheless, expected to show a substantial increase over the previous year.

H. WIGFALL

Shareholders of Henry Wigfall are recommended by their Board to take no action over the offer from Comet Radiovision Services. The Wigfall Board is preparing a detailed rejection document which will be sent to shareholders shortly.

Plessey results for nine months

- World sales up 12 per cent to £459 million (before currency revaluation)
- Profits 15 per cent higher at £32.2 million
- Second interim dividend of 2.42 pence per share — up 10 per cent
- UK exports increased by 54 per cent
- Order book grows 12½ per cent to £675 million
- Earnings per share up 11.6 per cent at 7.28 pence

The Plessey Company's unaudited consolidated results for the third quarter and nine months to December 31, 1977 are as follows (with the previous year's results for the equivalent quarter and nine months by way of comparison).

Figures in £000's	3 months to Dec 31 1977	3 months to Dec 31 1976	9 months to Dec 31 1977	9 months to Dec 31 1976
Sales	162,900	148,000	459,000	408,300
After currency translation (f)	143,500	147,400	441,800	408,300
Profit on Trading	15,232	14,357	40,195	42,015
Depreciation	5,288	4,594	15,524	13,970
Operating Profit	9,944	9,763	24,671	28,045
Associated Companies	3,046	2,408	7,716	6,089
Interest Receivable	222	1,005	1,005	2,210
Interest Payable	(2,394)	(3,571)	(8,027)	(8,490)
Rationalisation Costs	537	(27)	2,149	7,202
Profit before Tax and Currency Revaluation	10,341	9,465	32,196	27,396
Currency Revaluation (f)	(816)	—	809	—
Taxation	3,900	3,700	12,500	11,800
Profit after Tax	5,625	5,765	17,695	15,596
Minority Interest	(250)	(304)	781	875
Earnings before Extraordinary Items	5,375	5,461	17,114	14,721
Earnings per share (in pence)	2.28	2.36	7.28	6.52
Weighted average number of shares (in thousands)	236,056	235,178	236,736	226,112

n.b. The results of overseas operations have been translated at rates ruling at December 31, 1977. For ease of comparison the effect of the substantial currency movements occurring in the December Quarter have been separately identified against Sales & Profits before Tax.

(f) In accordance with normal Group practice, no provision has been made for the fluctuation in the net worth of the overseas assets at this stage. The movement of currencies since April 1, 1977 would have shown an extraordinary deficit of £6.8 million at exchange rates ruling at December 31, 1977.

(ff) The Group has now adopted the draft recommendations of the U.K. Accounting Standards Committee (ASC 1976). As a result, U.K. Corporation Tax has been provided to the extent that it will become payable in the foreseeable future, in calculating the tax charge for the nine months. Full account has been taken of the impact of the new provisions and capital expenditure for the full year.

A second interim dividend of 2.42 pence per share will be paid on July 1, 1978 to shareholders whose names are recorded in the register at close of business on May 15, 1978. This represents an increase of 10 pence over the equivalent dividend paid on July 1, 1977.

PLESSEY GROUP

Operating Internationally in 138 countries

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

Day-to-day credit was in abundant supply in the London money market yesterday, and the authorities were prepared to absorb the surplus by selling Treasury bills to the discount houses, but not on terms which were acceptable in the present conditions. The houses therefore declined the offer, and the surplus has been carried over by the banks.

Discount houses have been willing to sell bills recently, but their in Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

Banks carried over large surplus balances from Tuesday, and the market was also helped by a slight fall in the note circulation. On the other hand Government disbursements were larger than expected, but were still outweighed by sizeable revenue payments to the Exchequer, and the market was also faced with repayment of the large amount lent by the authorities on Tuesday.

In the interbank market overnight loans opened at 6½ per cent., but closed at around 6½ per cent.

Feb. 1 1978	Percentage Certificate of deposits	Interbank	Local Authority deposits	Local Auth negotiable bonds	Finance House deposits	Company deposits	Discount houses deposit	Treasury Bills	Eligible Bank Bills	Prime Trade Bills
Overnight	—	3½-6½	6½-6½	—	—	6½	5½-6	—	—	—
One month	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½	6½-6½	6½	6½	6½
Three months	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½	6½-6½	6½	6½	6½
Six months	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½	6½-6½	6½	6½	6½
Nine months	6½-6½	6½-6½	6½-6½	6½-6½	6½-6½	6½	6½-6½	6½	6½	6½
One year	7½-7½	7½-7½	7½-7½	7½-7½	7½-7½	7½	7½-7½	7½	7½	7½

Local authorities and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate, nominally three years 9½ per cent.; (over years 10½-10½ per cent.; 6 bank bill rate in table are buying rates for prime paper. Buying rates for four-month bank bills 6½-6½ per cent.; four-month trade bills 6½-6½ per cent.

Approximate selling rate for one-month Treasury bills 6½ per cent.; two-month 6½-6½ per cent.; three-month 6½-6½ per cent.; six-month 6½-6½ per cent.; one-month bank bills 6½-6½ per cent.; two-month 6½-6½ per cent.; three-month 6½-6½ per cent.

Finance House Rates (published by the Finance Houses Association): 7 per cent. from February 1, 1978. Clearing Bank Rates for small sums at seven days' notice 5 per cent. Clearing Bank Rates for lending 6½ per cent. Treasury Bills: Average tender rates of discount 3.282 per cent.

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

AN IMPORT/EXPORT AGENCY.
Specialized personnel. Established over
25 years. Write: Box G1344, Financial
City, 10, Cannon Street, EC4P 4BY.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN NEWS

AMC on lookout for suitor

By Our Own Correspondent

NEW YORK, Feb. 1.

AMERICAN MOTORS Corporation, the U.S.'s smallest passenger car producer, declared today that it was willing to discuss merger terms with any interested company.

This quite explicit open-door policy was announced at a meeting of the company's stockholders by American Motors' President and chief executive, Mr. Gerald C. Meyers. He took over the chief executive post from Mr. Roy Chapin, AMC's chairman, last November, and seems to have arrived at the conclusion that trading the company's independence may well be in the best interests of stockholders and employees.

Most of the company's problems stem from its passenger car division, whose sales are falling and whose losses are draining money from the more profitable bus and utility vehicle manufacturing division. Although the company managed a \$3m. profit in its financial year ended last September 30, it is short of cash for development and recently abandoned plans to develop a new \$70m. engine manufacturing plant. The company yesterday announced that it had negotiated a new short term credit line totalling \$120m.

Mr. Meyers said to-day that AMC's future could include affiliation with another company. "We shall consider it if the result means a better company for you," he told stockholders. "The door is open when the right opportunity comes along," he added, although nothing had matured to a point that justified further discussion at the moment.

Setback for Conoco

LOWER ANNUAL and quarterly earnings are reported by Conoco Oil. Net earnings for the final quarter of 1977 were \$61.9m., or 77 cents a share, against \$96m. or 89 cents, on sales of \$7.5bn., compared with \$2.2bn.

Net annual earnings were \$380.6m., or \$3.55 a share, against \$456.2m. or \$4.34, on sales of \$9.1bn., compared with \$8.4bn.

Conoco chairman Howard W. Blauvelt said that the \$14.1m. decline in fourth quarter earnings was primarily attributable to higher exploration costs and to impairments of \$10.9m. in petroleum and \$8.1m. in coal.

Carter Hawley Hale in bid for Marshall Field

BY JOHN WYLES

NEW YORK, Feb. 1.

CARTER Hawley Hale, the Los Angeles-based department store chain, has finally launched a formal takeover bid for Marshall Field and Co., which values the Chicago retailer at around \$380m.

The offer, in cash and stock, comes some seven weeks after Carter Hawley first disclosed that it was trying to persuade Marshall Field to discuss a merger. But these approaches of \$38 a share, were rebuffed in the bluntest possible way on December 13 when Marshall Field filed an anti-trust suit, recently amended to accuse Carter Hawley of "fraudulent and deceptive acts and practices in connection with its proposal to acquire Marshall Field, including untrue statements and misstatements of material facts."

The overtures from Los Angeles have stirred up some feeling in the Chicago area where

more than \$36 plus 0.95 of Common stock of Carter Hawley.

The proposed cash payment would be equal to the difference between \$42 and 0.95 times the average closing prices of Carter Hawley Common stock for the 20 trading days ending two trading days before the start of the offer. SEC approval is needed before the offer can start.

Carter Hawley is understood to have told Marshall Field directors that it would like to have the opportunity to discuss its proposals with them. Marshall Field's fight for its independence is the more interesting in that it is being led by Mr. Angelo Arena, who until last September was chairman of Carter Hawley's Neiman Marcus division. Mr. Arena became president of Marshall Field six days after the death of Marshall Field's chairman, Mr. Joseph Burnham.

TWA to reduce domestic fleet

NEW YORK, Feb. 1.

TRANS WORLD AIRLINES is effecting a major reduction in its fleet in an effort to cut the heavy losses on its domestic routes.

The airline is also planning a major accounting change, switching about \$25m. in expenses from the domestic operation to international routes.

The result, says Mr. C. E. Meyer, the president, is that the domestic operation, which had a \$42m. loss last year, may break even this year and move into the black in 1979.

Switching expenses to inter-

national routes would penalise earnings there, but international operations produced a pre-tax profit of \$85m. last year, indicating the \$25m. in additional costs could be absorbed. In addition, Mr. Meyer said, the outlook for international traffic this year is "very good," and barring a collapse of fare levels, the international division should have "a reasonably good year this year."

Restoring financial health to airline operations is of critical importance to TWA. Hit by the recession and overcapacity a few

Peat Marwick reports

BY OUR OWN CORRESPONDENT

NEW YORK, Feb. 1.

THE LARGEST of the world's financial accounting firms, Peat Marwick Mitchell and Co., has followed the lead of rivals Arthur Andersen and Price Waterhouse, in for the first time releasing internal details about its worldwide operations.

The firm's annual report for the year ended June 30, 1977, shows that the partnership had gross professional fees of \$315.8m. and allocated \$143.9m. to active partners and principals for compensation, insurance and other fringe benefit costs and to impairments of capital.

The figures issued by the

years ago, the company was on the brink of bankruptcy, along with some other carriers. More recently, TWA has recovered due to growing profits in the Hilton International Hotel subsidiary and the Canteen Corporation food-service subsidiary, as well as from profits from international airline operations. In 1977, TWA reported record net income of \$65m.

TWA is also paring its domestic fleet of Lockheed L-1011s to get rid of overcapacity.

The airline is already converting four of the aircraft so that they may be used for international flights, and is leasing two others to a foreign carrier. TWA has just announced agreement in principle with Delta Air Lines to lease two more aircraft to Delta for an 18-month period, beginning in April. Delta needs the aircraft for its new route from Atlanta to London.

Moving these eight out of domestic operations cuts TWA's fleet of domestic L-1011s from 30 to 22, which "is just about where we want it to be" to serve the market, Mr. Meyer said. This should have a major impact on TWA's financial statement. In one recent year, TWA's domestic L-1011s had a \$40m. loss, and in the year ended November 30 they had a \$34m. loss.

Agencies

IBM warns on outlook for sales

NEW YORK, Feb. 1.

INTERNATIONAL Business Machines Corporation repeated that increases in outright purchases of data processing equipment this year are not likely to match the rate of increase in 1977.

In its just-released 1977 annual report, IBM said that outright purchases of data processing equipment are expected to continue at high levels.

The company said interest on debt continued its downward slide, showing a worldwide reduction of 10.2 per cent. compared to the 1976 expense.

Worldwide net earnings increased by \$221m. or 13.4 per cent. over 1976. U.S. operations increased by \$150m. or 11.2 per cent., while non-U.S. operations increased by \$171m.

Bache capital management

NEW YORK, Feb. 1.

BACHE GROUP is divesting its Shields Capital Management division, effective to-day.

An independent advisory company, expected to have \$400m. under management, has been formed under the name Shields Asset Management.

As part of the transaction, Bache will enter into a name licence agreement with Shields Asset Management providing for certain royalties over a period of years.

The move results from provisions of the Employee Retirement Income Security Act and the Securities Reform Act of 1975, Bache said.

Reuter

Weeden to close down research offshoot

BY OUR OWN CORRESPONDENT

NEW YORK, Feb. 1.

WEEDEN HOLDING Corporation, the securities company, has followed up publication of a \$6.1m. loss in its financial first quarter with the announcement that its research subsidiary will be closed down from today.

Weeden acquired the subsidiary, Wainwright Securities, last October, and in a joint announcement with Mr. Alfred C. Morley, chairman of Wainwright, Mr. Donald Weeden said the decision "reflects the con-

tinuing unprofitability of institutional research services and judgment that industry conditions will not improve appreciably in the foreseeable future."

Mr. Weeden, president and chief executive of his company, surprised the investment world on Monday by announcing that Weeden and Company would cease over-the-counter trading in "exchange-listed stocks."

Weeden was by far the largest dealer in these stocks and the decision "reflects the com-

New York Stock Exchange institutional business. However, the \$6.1m. loss in the quarter ended December 31 was largely attributed to losses in over-the-counter trading which helped bring the company's deficit for the most recent four quarters to \$11m.

Weeden says that there is no question that it will remain viable as a pure broker and that it has taken its decision because it saw no end to the continuing losses in the over-the-counter market.

AT and T earnings advance

NEW YORK, Feb. 1.

AMERICAN TELEPHONE and Telegraph (AT and T) announced net earnings for 1977 of \$6.97 a share against \$6.05. Total net earnings were \$4.54bn. against \$3.59bn. previously.

Operating revenue was \$36.5bn. compared with \$32.8bn. Mr. John D. Debutts, the chairman, said that the Bell System companies handled 10.3 per cent. more long distance calls than in 1976 and added more telephones—6.4m.—than in any year in its history.

At the end of 1977 the Bell System had 128.5m. telephones in service compared to 123.1m. a year earlier, a 4.3 per cent. increase.

"The gathering momentum in demand for communications services that characterised the year shows no sign of abating. However, it would not be realistic to anticipate that the same degree of acceleration will continue."

"Nonetheless, we anticipate

that 1978 will be another good year, another year of strong growth," said Mr. Debutts.

He reported that "debt ratio" is going up and we have materially increased our financial flexibility."

Agencies Robert Gibbons adds from Montreal that Bell Canada, the largest Canadian telephone utility and which controls the equipment manufacturing Northern Telecom, plans its first multi-national equity issue in the near future.

"The company's stock is now listed on 13 major stock exchanges in Canada, the U.S.

and Europe. "We will use each of our markets sparingly," says A. J. de Grandpre, "and we hope to be able to give each a rest between large issues. We will try to maximise size of issue, running at over \$1bn. a year."

without sacrificing yield, though spreads between markets are what is important."

The main source of new equity capital, however, will continue to be Canada. Bell has completed a \$200m. U.S. debt issue in New York and an equity issue has been expected to follow.

The company is also seeking a rate increase before the Canadian Radio and Television Commission. It has set a volume in Ontario and Quebec in 1977 fell short of expectations, particularly in the highly profitable long distance business. This meant that returns were lagging.

The increases sought would produce additional operating revenue of nearly \$340m. a year, which would be sufficient to take care of the company's capital spending, running at over \$1bn. a year.

U.S. QUARTERLIES

AVON PRODUCTS

Fourth Quarter	1977	1976
Revenue	598.5m.	502.9m.
Net Profits	88.2m.	74.4m.
Net Per Share	1.52	1.28
Year		
Revenue	1.64bn.	1.43bn.
Net Profits	191.5m.	168.4m.
Net Per Share	3.30	2.90

COPPERWELD CORP.

Fourth Quarter	1977	1976
Revenue	93.1m.	78m.
Net Profits	7m.	7.8m.
Net Per Share	1.42	1.36
Year		
Revenue	347m.	298.5m.
Net Profits	16.3m.	18.9m.
Net Per Share	2.91	3.39

CUTLER-HAMMER

Fourth Quarter	1977	1976
Revenue	137m.	117m.
Net Profits	6.8m.	5.2m.
Net Per Share	1.17	0.91
Year		
Revenue	517m.	447m.
Net Profits	24m.	18m.
Net Per Share	4.12	3.20

DU PONT OF CANADA

Fourth Quarter	1977	1976
Revenue	138m.	120m.
Net Profits	1.1m.	1.1m.
Net Per Share	0.12	0.19
Year		
Revenue	534m.	458m.
Net Profits	7.6m.	2.1m.
Net Per Share	0.94	0.28

LIGGETT GROUP

Fourth Quarter	1977	1976
Revenue	239.6m.	236.3m.
Net Profits	5.56m.	7.35m.
Net Per Share	0.57	0.77
Year		
Revenue	943.2m.	913.1m.
Net Profits	2.60m.	38.89m.
Net Per Share	0.12	4.17

NATOMAS

Fourth Quarter	1977	1976
Revenue	146m.	115m.
Net Profits	15m.	16.6m.
Net Per Share	1.87	2.22
Year		
Revenue	589.8m.	418m.
Net Profits	72.5m.	57.1m.
Net Per Share	9.33	7.68

FENNZOIL CO.

Fourth Quarter	1977	1976
Revenue	320.9m.	315.8m.
Net Profits	26.1m.	53.7m.
Net Per Share	0.76	1.59
Year		
Revenue	1.26bn.	1.19bn.
Net Profits	115.5m.	131.2m.
Net Per Share	3.34	3.81

POTLATCH CORP.

Fourth Quarter	1977	1976
Revenue	167.7m.	154.9m.
Net Profits	12.76m.	12.45m.
Net Per Share	0.84	0.82
Year		
Revenue	688.4m.	624.1m.
Net Profits	61.5m.	47.7m.
Net Per Share	4.09	3.17

SCOTT PAPER

Fourth Quarter	1977	1976
Revenue	399.9m.	385.1m.
Net Profits	7.7m.	18.4m.
Net Per Share	0.20	0.50
Year		
Revenue	1.5bn.	1.4bn.
Net Profits	99.1m.	13.1m.
Net Per Share	2.56	2.01

UNION CARBIDE CANADA

Fourth Quarter	1977	1976
Revenue	113.0m.	102.0m.
Net Profits	6.9m.	10.8m.
Net per share	0.61	1.08
Year		
Revenue	406.0m.	394.0m.
Net Profits	20.5m.	32.1m.
Net per share	1.94	3.21

VONTOBEL EUROBOND INDICES					
145.76=100%					
PRICE INDEX	31.1.78	24.1.78	AVERAGE YIELD	31.1.78	24.1.78
DM Bonds	107.75	107.75	DM Bonds	5.35%	5.35%
FF Bonds & Notes	103.68	103.11	FF Bonds & Notes	5.86%	7.25%
U.S. \$ Str.-Bonds	99.77	99.84	U.S. \$ Str.-Bonds	8.72%	8.71%

KOMBINAT GORNICZO-HUTNICZY
MIEDZI W LUBINIE

GUARANTEED BY

BANK HANDLOWY W WARSZAWIE S.A.

U.S. \$250,000,000

MULTI-CURRENCY CREDIT FACILITY

TO FINANCE THE DEVELOPMENT OF AN
INTEGRATED COPPER PROJECT
IN POLAND

LEAD MANAGED BY

CHASE MANHATTAN LIMITED
BANK OF MONTREAL
CITICORP INTERNATIONAL GROUP
FIRST PENNSYLVANIA BANK N.A.
NATIONAL WESTMINSTER BANK LIMITED

MANAGED BY

BANKAMERICA INTERNATIONAL GROUP
BANKERS TRUST INTERNATIONAL LIMITED
BARCLAYS BANK INTERNATIONAL LIMITED
ORION BANK LIMITED

FUNDS PROVIDED BY

THE FIRST NATIONAL BANK OF CHICAGO

BANKERS TRUST COMPANY
BANK OF MONTREAL
BANK OF SCOTLAND
BANQUE CANADIENNE NATIONALE (EUROPE)
BANQUE INTERNATIONALE A LUXEMBOURG
SOCIETE ANONYME
THE CHASE MANHATTAN BANK, N.A.
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
Cayman Islands Branch
THE FLJ BANK, LIMITED
INTERNATIONALE GENOSSENSCHAFTSBANK AG
INTERNATIONAL ENERGY BANK LIMITED
IRVING TRUST COMPANY
Grand Cayman Branch
NATIONAL BANK OF NORTH AMERICA
ORION BANK LIMITED
REPUBLIC NATIONAL BANK OF DALLAS
ROYWEST BANKING CORPORATION LIMITED, NASSAU
TORONTO DOMINION BANK
WELLS FARGO BANK N.A.

BANK OF AMERICA NT & SA
THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED
THE BANK OF TOKYO, LTD.
BANQUE INTERCONTINENTALE ARABE
BARCLAYS BANK INTERNATIONAL LIMITED
CANADIAN IMPERIAL BANK OF COMMERCE
CITIBANK, N.A.
FIRST CANADIAN FINANCIAL CORPORATION B.V.
FIRST PENNSYLVANIA BANK N.A.
GROZENTRALE UND BANK DER OSTERREICHISCHEN
SPARKASSEN AKTIENGESELLSCHAFT
INTERNATIONAL RESOURCES AND FINANCE BANK S.A.
LIBYAN ARAB FOREIGN BANK
THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED
NATIONAL WESTMINSTER GROUP
OVERSEAS UNION BANK LTD
London Branch
SECURITY PACIFIC BANK
VESTLANDSBANKEN

AGENT

THE CHASE MANHATTAN BANK, N.A.

20 JANUARY 1978

NEW ISSUE

All these notes having been sold, this announcement appears as a matter of record only.

January 5, 1978



NACIONAL FINANCIERA, S.A.

a National Credit Institution and Financial Agent of the

United Mexican States

100,000,000 United States Dollars
Floating Rate Notes due 1985 to 1993.

CREDIT COMMERCIAL DE FRANCE

THE BANK OF TOKYO (HOLLAND) N.V.

BANQUE BRUXELLES LAMBERT S.A.

COUNTY BANK LIMITED

GENOSSENSCHAFTLICHE ZENTRALBANK AG - VIENNA

SOCIÉTÉ GÉNÉRALE

UNION DE BANQUES ARABES ET FRANÇAISES - U.B.A.F.

BANKERS TRUST INTERNATIONAL LIMITED

CONTINENTAL ILLINOIS LIMITED

DRESDNER BANK AKTIENGESELLSCHAFT

LLOYDS BANK INTERNATIONAL LIMITED

SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.

WESTDEUTSCHE LANDESBANK GROSZENTRALE

ABU DHABI INVESTMENT COMPANY	AL SAUDI BANQUE	AL AHLI BANK OF KUWAIT (K.S.C.)	ALGERIEN BANK NEDERLAND N.V.	A.E. ARAB & CO.
AMEX BANK Limited	ARAB FINANCE CORPORATION S.A.L.	THE ARAB AND MORGAN GRENFELL FINANCE COMPANY Limited	BANK OF AMERICA INTERNATIONAL	BANK OF AMERICA INTERNATIONAL
BANK GUTZWILLER, KUNZ, BUNGERER (OVERSEAS) Limited	BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.) Limited	BANQUE FRANÇAISE DE COMMERCE EXTERIEUR Limited	BANQUE INTERNATIONALE A LUXEMBOURG S.A.	BANQUE LOUIS-DREYER Limited
BANQUE FRANÇAISE DE CREDIT INTERNATIONAL	BANQUE DE L'INDOCHINE ET DE SUEZ	BANQUE INTERNATIONALE A LUXEMBOURG S.A.	BANQUE LOUIS-DREYER	BANQUE LOUIS-DREYER
BANQUE NATIONALE DE PARIS	BANQUE DE PARIS ET DES PAYS-BAS	BANQUE DE PARIS ET DES PAYS-BAS Banque du Grand-Duché de Luxembourg	BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG	BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG
BANQUE ROTHSCHILD	BANQUE DE L'UNION EUROPEENNE	BANQUE WORMS	BARCLAYS BANK INTERNATIONAL Limited	BARING BROTHERS & CO. Limited
BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK	BAYERISCHE VEREINSBANK	BERGEN BANK	BERLINER HANDELS- UND KUNSTFABRIK Limited	BERLINER HANDELS- UND KUNSTFABRIK
BLYTH EASTMAN DILLON & CO. International Ltd.	CAISSE CENTRALE DES BANQUES POPULAIRES	LA COMPAGNIE FINANCIERE	CREDIT COMMERCIAL DE FRANCE SUISSE S.A.	CREDIT COMMERCIAL DE FRANCE SUISSE S.A.
CREDIT INDUSTRIEL ET COMMERCIAL	CREDIT LYONNAIS	CREDIT DU NORD	CREDIT SUISSE WHITE WELD	DEN BOSKE CREDIT BANK
DEUTSCHE GROSZENTRALE - DEUTSCHE KOMMUNALBANK	DE BANK Deutsche Genossenschaftsbank Limited	DIETSCHE GROSZENTRALE	DIETSCHE GROSZENTRALE BANK LIMITED - EULABANK -	DIETSCHE GROSZENTRALE
FIRST BOSTON (EUROPE)	FIRST CHICAGO	ANTONY GIBBS HOLDINGS LTD.	GROSZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT	GROSZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT
HAMBURG BANK Limited	HESSISCHE LANDESBANK GROSZENTRALE	HILL SAMUEL & CO. Limited	HILL SAMUEL & CO.	HILL SAMUEL & CO. N.V.
INTERALPHA ASIA (SINGAPORE) LTD.	INTERNATIONAL MEXICAN BANK LIMITED - INTERMEX -	ISTITUTO BANCAIO SAN PAOLO DI TORINO	KOBE STEEL CO. LTD.	KOBE STEEL CO. LTD.
KLEINWORT, BENSON Limited	KURUM LOEB LEHMAN BROTHERS INTERNATIONAL	KUWAIT INTERNATIONAL INVESTMENT CO. S.A.C.	LAZARD FRERES ET CO.	LAZARD FRERES ET CO.
LONDON MULTINATIONAL BANK (UNDERWRITERS) Limited	McLEOD, YOUNG, WEIR INTERNATIONAL Limited	MANUFACTURERS HANOVER Limited	MERRILL LYNCH INTERNATIONAL & CO. Limited	MERRILL LYNCH INTERNATIONAL & CO. Limited
SAMUEL MONTAGU & CO. Limited	MORGAN GRENFELL & CO. Limited	MORGAN STANLEY INTERNATIONAL	NEDERLANDSCHE BLOEDSTANDSBANK N.V.	NEDERLANDSCHE BLOEDSTANDSBANK N.V.
NOMURA EUROPE N.V.	ORION BANK Limited	OSTERREICHISCHE LANDESBANK Allgemeine Anstalt Limited	PETERBOECK, VAN CAMPENHOET, KEMPER S.A.	PRIVATBANKEN Allgemeine Anstalt Limited
N.M. ROTHSCHILD & SONS Limited	SALOMON BROTHERS INTERNATIONAL Limited	SCANDINAVIAN BANK Limited	J. HENRY SCHROEDER WAGG & CO.	SHANDYANATSKA ENKELN BANKEN Allgemeine Anstalt Limited
SMITH BARNEY, HARRIS UPHAM & CO. Incorporated	SOCIETE BANQUE BARCLAYS (SUISE) S.A.	SOCIETE CENTRALE DE BANQUE	SOCIETE GENERALE ALGERIENNE DE BANQUE	SOCIETE GENERALE ALGERIENNE DE BANQUE
SOCIETE SECURITAIRE DE BANQUE	STRAUSS, TURNGILL & CO.	SUMITOMO FINANCE INTERNATIONAL	SVENSKA HANDELSBANKEN	TRADE DEVELOPMENT BANK Allgemeine Anstalt Limited
UNION DE BANQUES ARABES ET EUROPEENNES - U.B.A.E. Société Anonyme	J. VONTELOS & CO.	S.G. WARBURG & CO. LTD.	WILLIAMS, GILY & CO.	VERBAND SCHWEIZERISCHER KANTONALE BANKEN Allgemeine Anstalt Limited
VEREINS- UND WESTBANK Allgemeine Anstalt Limited			DEAK WITTELL INTERNATIONAL	WOOD WINTON Limited

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Elf-Aquitaine requests state aid

BY DAVID CURRY

PARIS, Feb. 1.

ELF-Aquitaine is requesting the French Government to provide state aid to help it meet the cost of a major expansion programme. The company, which is a subsidiary of Elf, has asked the Government to provide a loan of 1,000 million francs (150 million dollars) to help it meet the cost of a major expansion programme. The company, which is a subsidiary of Elf, has asked the Government to provide a loan of 1,000 million francs (150 million dollars) to help it meet the cost of a major expansion programme.

Altogether last year the group produced a turnover of Frs.37bn. (Frs.36bn.) while its cash-flow improved from Frs.5bn. to Frs.5.33bn. However, M. Chalandon notes that debt remained high and that the first income from the Frig field would be earmarked for debt repayment. Last year's exploration effort added Frs.4bn. to the group's indebtedness.

CWH is disappointed with 1977 results

By Guy Hawtin

FRANKFURT, Feb. 1.

CHEMISCHE WERKE Huels (CWH) is disappointed with its 1977 results. Things went badly throughout the industry last year with demand depressed both at home and abroad.

Growing internationalism

BY DOUGLAS RAMSEY IN TOKYO

TOKYO has emerged as one of the most attractive bond markets in the world. Foreign investors have responded enthusiastically to attempts by Japan first to widen the market, and secondly to internationalise it.

Some cynics say that the boom will not outlive the yen's steep appreciation over the past year, but most foreign money managers disagree. To them, Japanese coupons will remain the best yen investment at a time when no international portfolio looks quite balanced without a substantial yen holding.

FOREIGN INVESTMENT IN JAPANESE BONDS

(\$m. on a settlement basis)	Purchase	Disposal	Balance
1973	224	241	-17
1974	423	185	238
1975	1,756	832	924
1976	2,985	1,354	1,631
1977	4,853	2,759	2,094

Put simply, some investors in the market will take their foreign-exchange gains and run from the Tokyo bond market once the yen looks like levelling off, but the core of investors are bullish on the market's longer term potential.

In 1977 the market's turnover increased by 60 per cent. to ¥113.160bn. (250bn.) on the strength of a massive programme of bond issues by government to finance the budget deficit. As a result, in a single year the portion of government bonds traded in the market went from 1.5 per cent. to an estimated 10.8 per cent. in 1977.

Growth at Italimpianti

BY PAUL BETTS

ROME, Feb. 1.

ITALIMPIANTI, the Genoa-based engineering subsidiary of the Italian state IRI-Fininvest steel group, reported today profits of L.7bn. (about \$1.5m.) for last year. This represents an 80 per cent. increase over 1976.

Bergen Bank reduces dividend

BY FAY GJETER

OSLO, Feb. 1.

BERGEN Bank, Norway's second largest commercial bank, reports a fall in net profits to Kr.32m. in 1977, from Kr.58m. in 1976. Dividend is being reduced to 8 per cent. from 10 per cent. a year earlier, and even this lower rate-out (totaling Kr.38m.) will have to be partly covered from reserve funds.

Sources here suggest the bank fears that a dividend less than 8 per cent. might have led some shareholders to sell their shares to the State, as they are entitled to under the new bank democratisation law.

The fall in profits partly reflects heavier interest costs due to increased borrowing from the Central Bank—totaling Kr.18m. during the year. Managing director Finn B. Henriksen expects better results this year than in 1977 but commented that further sizeable loan write-offs must be expected over the next few years, particularly in the shipping sector.

Kr.80m. write-up of the bank's real property and partly to an increase in share capital of Kr.100m. to Kr.400m. Equity capital will have to be increased further this year, to keep pace with the steady rise in assets.

To achieve this, the bank will probably borrow money abroad, since the Norwegian market at present does not favour new share issues, and loan capital is scarce.

New name for KemaNord
KEMANORD, the Swedish chemicals company, has changed its name to KemaNord, following the completion of its takeover of all the stock in the Nitro Nobel Company, writes William Duffell from Stockholm. The new group will have a turnover of more than Kr.25bn. (275m.) generated from plants in ten countries, manufacturing a wide range from consumer goods, together with local interests.

MEDIUM TERM LOANS

Two \$100m. loans for IMI
BY FRANCIS GHILES
ISTITUTO MOBILIARE Italiano is raising two loans currently in the market, each amounting to \$100m. and carrying an eight-year maturity. One is lead by Compagnie Financiere de la Deutsche Bank, with terms otherwise understood to be in line with those on other loans to Italian state organisations; the first four years, rising to 14 per cent. for the remainder. The terms of the second loan are comparable to those on the recent loan to ENEL.

Banco Nacional de Desarrollo is raising \$105m., \$40m. of which is in the form of a syndicated loan. Terms on this portion of the financing, for which the agent bank is Marine Midland, include an eight-year maturity, a 42 months grace period and a spread of 1 1/2 per cent. for the first four years, rising to 1 1/2 per cent. for the remainder. The terms of the second loan are comparable to those on the recent loan to ENEL.

PROBONDS DM issues up

BY FRANK GHILES

PROBONDS, the main source of German government bonds, has increased from an issue of \$1.5bn. to \$1.8bn. with terms unchanged. It was issued at par and quarter by manager Schroder Waag.

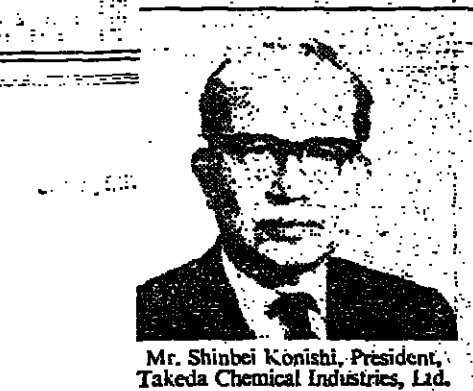
Prices in the sterling sector were generally higher yesterday, with the comparable Pisons issue holding at 100.10-14. There were strong expectations of a night of a sterling issue, but the dollar sector was firm but little trading, while the uscmarket sector was up in lively trading.

Launched last night was a \$15m. 10-year issue for the Sears Group. Like the 10-year issue for the Sears Group, the issue offers an indexed coupon of 10 1/2 per cent. and will be a bullet—repaid in one go at the final maturity.

The Sears Group is a retailing industrial organisation which has interests, for example, in department stores, footwear, clothing and manufacturing, being owned by the William Hill Organisation and other areas.

turnover was \$792m. in the year to January 21, 1977, and \$791m. in the first half of the subsequent year.

Weekly net asset value on January 30th, 1978
Tokyo Pacific Holdings N.V.
U.S. \$42.13
Tokyo Pacific Holdings (Seaboard) N.V.
U.S. \$30.71
Listed on the Amsterdam Stock Exchange
Information: Plesner, Holding & Plesner N.V., Herengracht 214, Amsterdam



Mr. Shinbei Konishi, President, Takeda Chemical Industries, Ltd.

would like to report on our business operations for the six months period ended September 30, 1977.

total sales for the first half of the 1977 fiscal year amounted to ¥174,294 million (U.S. \$660,204 thousand), an 11% increase over the corresponding period in 1976. Net earnings rose by 23% to ¥6,616 million (U.S. \$25,061 thousand).

in spite of certain fiscal and monetary measures taken by the government to stimulate recovery, the Japanese economy remained stagnant with only a modest increase in domestic demand and with the continuing aggravation of high unemployment.

each part of our business, competition remained keen, market conditions were weak and we have had to face a very difficult situation. However, as a result of especially strenuous efforts, we were able to produce results which were better than the corresponding period in 1976.

performance by the various Divisions of the Company are given below.

Pharmaceuticals: sales reached ¥97,133 million (U.S. \$367,928 thousand), up 12% from the corresponding period in 1976.

1976 pharmaceutical production in Japan increased 24% over the previous year. In the first half of 1977, however, the annual rate was only 15%.

the ethical drug market, competition for market share continues to be keen and is particularly so in the antibiotic field.

proprietary products, consumer demand remained stagnant due to the continuing dull economy.

however, as a result of the expansion of our activities to support our products with comprehensive knowledge and information, we were able to achieve a new record in sales of antibiotics such as "Clavulin B", "Dasein B", an anti-inflammatory enzyme, and certain central nervous system products.

Furthermore, exports of bulk fine chemicals increased more than expected.

Food: This Division achieved sales of ¥27,175 million (U.S. \$102,935 thousand), 6% over the corresponding period in 1976.

While sales of food additives were generally good, beverage sales suffered from increasingly keen competition and unreasonably cool summer weather in the eastern part of the country. Sales of seasoning products failed to achieve their target due to wholesalers reducing their stocks and consequently, the performance of this Division was disappointing.

Industrial Chemicals: sales increased 11% over the corresponding period in 1976 to ¥28,212 million (U.S. \$108,644 thousand).

The recovery of demand in the Japanese chemical industry is still not assured. Under the circumstances of high raw material costs and low product prices, the business of the whole chemical industry is worsening.

There was no improvement in the supply-demand relationship for the products of this Division, but through active sales promotion, sales were higher than in the corresponding period of the previous year. As a result of weakening product prices, however, the profitability of the Division did not improve.

Agricultural Chemicals and Animal Health Products: sales of products for agricultural and animal health applications totalled ¥20,795 million (U.S. \$78,769 thousand), up 12% from the corresponding period in 1976.

Takeda Chemical Industries, Ltd.

Report by Mr. Shinbei Konishi, President, for the six months ended 30th September, 1977

武田薬品工業株式会社

Report by Mr. Shinbei Konishi, President, for the six months ended 30th September, 1977

As for agricultural chemicals, surplus stocks held by wholesalers were already reduced in 1976 giving us increased sales opportunities in this fiscal period.

Sales of our main products, such as the insecticide, "Padan®", and also the herbicides, "Avisoran®" and "Wider®", which were marketed in 1976, recorded substantial increases and contributed significantly to the Division's performance.

Animal health products also showed steady advances and sales of our new product, "Enromycin", a poly-peptide-related feed additive, increased as anticipated.

Overseas Activities: Exports rose to ¥10,339 million (U.S. \$39,163 thousand), an increase of 17% over the corresponding period in 1976.

Although the export business in Japan was unfavourably influenced by a sharp increase in the value of the Yen compared to the U.S. Dollar, the Company's exports of bulk vitamins, including Vitamins C and B-1, recorded considerable expansion.

Coupled with a steady increase in sales of pharmaceutical specialties to Eire, we were able to achieve a better recovery than expected.

The performance of our subsidiaries abroad generally was satisfactory, although there were some exceptions in South-East Asia.

Capital Investment: No large new capital investments were made during the period. However, existing pharmaceutical production facilities were expanded to meet increasing demand from home and overseas markets. Modest capital expenditures were made to comply strictly with drug safety regulations, to improve research facilities and to improve production efficiency.

Financial Operations: The Management took particular care to stabilize the Company's cash flow position by monitoring trade receivables and stocks. These policies succeeded in improving and strengthening the Company's financial position.

Future Outlook: The economic climate in Japan continues to be troubled by stagnation in the private investment sector and in consumer spending. Thus demand in the home market remains relatively poor. The rapid increase of the Yen exchange rate not only gives a serious problem to Japan's export position, which had been supporting its economic growth, but also may give rise to deflation of the domestic economy.

The business environment which the Company faces in the latter half of this year will continue to be severe. The Management will concentrate every effort in developing new products, in strengthening our overseas activities, and in maintaining the high quality and safety of our products.

We will strive to buttress our corporate structure to ensure a sound financial position.

With regard to the SMON litigation, the first amicable settlement was concluded on October 29, 1977 in the Tokyo District Court. Agreement was reached between certain plaintiffs and the three defendants, the Japanese Government, CIBA-GEIGY (Japan) Ltd. and the Company. We hope we shall be able to reach amicable settlements with the other plaintiffs through mediation of the courts and will continue our efforts to this end.

Your continuing support and encouragement of our efforts are highly appreciated.

FINANCIAL SUMMARY FOR THE SIX MONTHS ENDED 30th SEPTEMBER, 1977

WITH COMPARATIVE FIGURES FOR 1976

	1976	1977	1976	1977
Property, plant and equipment, less depreciation	62,524	60,536	24,910	24,938
Investments and advances	32,749	35,790	127,569	135,473
Current assets	231,113	252,315	157,257	174,294
Less current liabilities	118,768	133,977	12,135	14,280
Other assets	112,345	118,338	222	1,084
	17,990	18,728	6,760	8,668
	225,608	233,392	12,357	15,374
Less: Retirement and severance benefits	43,133	47,006		
Long-term debt	27,579	23,242		
Minority interests	2,417	2,733		
	73,129	72,981		
	152,479	160,411		

The interim dividends for the year ending 31st March, 1978, of ¥3.75 per share amounting to ¥1,870 million are not reflected in the above figures.

TELECOMUNICAÇÕES DO RIO DE JANEIRO S.A. TELERJ

U.S. \$30,000,000
MEDIUM TERM LOAN

GUARANTEED BY



TELECOMUNICAÇÕES BRASILEIRAS S.A. TELEBRÁS

MANAGED BY
CHASE MANHATTAN LIMITED

PROVIDED BY

THE CHASE MANHATTAN BANK, N.A.
REPUBLIC NATIONAL BANK OF DALLAS
SEATTLE-FIRST NATIONAL BANK
TEXAS COMMERCE INTERNATIONAL BANK LIMITED
THE DETROIT BANK AND TRUST COMPANY

AGENT

THE CHASE MANHATTAN BANK, N.A.

THE MANAGER WAS ASSISTED IN BRAZIL BY BANCO LAR BRASILEIRO, S.A., RIO DE JANEIRO

Notice of Redemption

To the Holders of

KINGDOM OF DENMARK

9% Twelve Year External Loan Bonds of 1970 due March 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected through operation of the Sinking Fund for redemption on March 1, 1978 at the principal amount thereof together with accrued interest to the date fixed for redemption \$2,000,000 principal amount of said Bonds bearing the following distinctive serial numbers:

COUPON BONDS OF \$1,000 EACH

2	297	287	968	512	937	758	872	86	1170	12326	13427	14473	15585	16796	17778	18294
8	1312	287	968	5127	9430	7584	8728	9884	11088	12326	13427	14473	15585	16796	17778	18294
21	1320	281	2890	5128	9433	7683	8727	9596	11050	12324	13432	14480	15602	16778	17809	18395
30	1320	281	2890	5128	9433	7683	8727	9596	11050	12324	13432	14480	15602	16778	17809	18395
33	1323	2652	3038	5133	9433	7859	8756	9818	11100	12364	13472	14510	15611	16787	17826	18407
34	1346	284	2861	5150	9461	7859	8757	9830	11140	12404	13512	14550	15652	16829	17867	18451
35	1346	284	2861	5150	9461	7859	8757	9830	11140	12404	13512	14550	15652	16829	17867	18451
37	1387	2710	2861	5177	9468	7857	8787	9857	11159	12414	13401	14538	15644	16785	17871	18451
38	1387	2710	2861	5177	9468	7857	8787	9857	11159	12414	13401	14538	15644	16785	17871	18451
41	1408	2773	2868	5184	9468	7880	8801	9884	11218	12424	13410	14530	15637	16777	17862	18451
81	1414	2724	2890	5220	9500	7764	8783	9830	11260	12430	13410	14530	15637	16777	17862	18451
110	1420	2871	2890	5220	9500	7764	8783	9830	11260	12430	13410	14530	15637	16777	17862	18451
113	1420	2871	2890	5220	9500	7764	8783	9830	11260	12430	13410	14530	15637	16777	17862	18451
114	1420	2871	2890	5220	9500	7764	8783	9830	11260	12430	13410	14530	15637	16777	17862	18451
134	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
135	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
136	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
137	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
138	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
139	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
140	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
141	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
142	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
143	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
144	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
145	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
146	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
147	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
148	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
149	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
150	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
151	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
152	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
153	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
154	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
155	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
156	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
157	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
158	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
159	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
160	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
161	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
162	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
163	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
164	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
165	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
166	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
167	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
168	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
169	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
170	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
171	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
172	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
173	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
174	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
175	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
176	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
177	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
178	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
179	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
180	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
181	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
182	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
183	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
184	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
185	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
186	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
187	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
188	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
189	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
190	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
191	1447	2791	4010	5267	9537	7767	8757	10008	11264	12440	13420	14537	15635	16783	17818	18451
192	14															

Government replies to sector working party reports

Call for better industrial record

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

SINGAPORE. SUBSTANTIAL improvement in the industrial performance of the United Kingdom could be achieved by the early 1980s, according to a report presented yesterday to the National Economic Development Council.

The report, which was prepared by a committee of experts, says that the current rate of growth of the economy is only about 2 per cent, with a potential of 4 per cent. It also says that the current rate of inflation is about 10 per cent, with a potential of 5 per cent.

The report also says that the current rate of unemployment is about 6 per cent, with a potential of 4 per cent. It also says that the current rate of productivity is about 1 per cent, with a potential of 2 per cent.

The report was presented by Mr. Denis Healey, Chancellor of the Exchequer, to the National Economic Development Council. He said that the report was a "valuable contribution" to the government's efforts to improve the industrial performance of the country.



Mr. Denis Healey, Chancellor (right), and Mr. Eric Varley, Industry Secretary, speaking to reporters after a meeting of the National Economic Development Council.

Presented by Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Eric Varley, Industry Secretary, the report was a "valuable contribution" to the government's efforts to improve the industrial performance of the country.

The report also says that the current rate of productivity is about 1 per cent, with a potential of 2 per cent. It also says that the current rate of inflation is about 10 per cent, with a potential of 5 per cent.

The report was presented by Mr. Denis Healey, Chancellor of the Exchequer, to the National Economic Development Council. He said that the report was a "valuable contribution" to the government's efforts to improve the industrial performance of the country.

Objectives

Most sector working parties have agreed on a common set of objectives. These include: to improve the productivity of the industry; to reduce the cost of production; to improve the quality of the product; to increase the output of the industry; to create more jobs; to improve the working conditions of the workers; to improve the relationship between the industry and the community.

The report also says that the current rate of productivity is about 1 per cent, with a potential of 2 per cent. It also says that the current rate of inflation is about 10 per cent, with a potential of 5 per cent.

The report was presented by Mr. Denis Healey, Chancellor of the Exchequer, to the National Economic Development Council. He said that the report was a "valuable contribution" to the government's efforts to improve the industrial performance of the country.

Annual growth

The Government could make conditional forecasts of the medium-term growth of the economy. Given an annual growth in the order of 4 per cent, the level of the balance of payments would be improved. It is the task of the industrial strategy to bring about such an improvement.

The level of the world trade, the competitive performance of the industry, the productivity of the industry, the cost of production, the quality of the product, the output of the industry, the creation of more jobs, the improvement of the working conditions of the workers, the improvement of the relationship between the industry and the community.

The report also says that the current rate of productivity is about 1 per cent, with a potential of 2 per cent. It also says that the current rate of inflation is about 10 per cent, with a potential of 5 per cent.

The report was presented by Mr. Denis Healey, Chancellor of the Exchequer, to the National Economic Development Council. He said that the report was a "valuable contribution" to the government's efforts to improve the industrial performance of the country.

Balance of trade could improve by £2.5bn.

BY KENNETH GOODING

HERE WOULD be a £2.5bn. improvement in Britain's trade balance if the 38 industries involved in the industrial strategy programme achieved targets they have set themselves in the early 1980s.

Yet most of them expect to meet their market-share objectives with little or no increase in employment and several expect a decline. Those which predict an increase in employment, if the output objectives are met, say it will be small.

This is because the setting of ambitious market-share objectives has in many cases been associated with expectations of rapidly increasing productivity growth.

These points emerge from an analysis of reports from the industry groups working on the industrial strategy, at the National Economic Development Council, the so-called sector working parties.

The memorandum prepared by Mr. Lawrence Almy, second permanent secretary at the Treasury and chairman of the industrial strategy group, draws out common themes and recommendations from the various individual reports.

But it stresses that "any attempt to add together the figures produced by different sector working parties is hazardous since it relies on material which was never intended for that purpose; because the sector working parties did not use uniform methods, assumptions or presentation; the sector working parties cover only part of manufacturing industry and therefore cannot adequately take account of changes in demand in their customer industries and the effect on output; and sector working parties' proposals for action are often novel."

Performance

The reports are concerned with intended changes in performance and the development of strategic options rather than forecasts. It is stressed that the information so far produced cannot be extrapolated to all manufacturing industry, much less to the whole economy.

But the opportunities reported by the sector working parties can be seized, the improvement in competitiveness which could result should enable the economy to be run at higher levels of demand and give rise to improved employment opportunities in all sectors.

About three-quarters of the working parties have set output growth objectives and these suggest a very substantial improvement in the period 1978 to 1980 to a little over 4 per cent a year from the 1 per cent achieved in 1977-78.

Possible labour productivity growth is less spectacular but is still a significant improvement on recent trends—from about 3 per cent a year in 1977-78 to perhaps 4 per cent in 1978-80.

Selective

The selective investment scheme, the product and process development scheme and several special industrial schemes were set up.

The selective investment scheme had led to the allocation of £25m. for investment projects worth £250m. These would lead to 3,500 more permanent jobs, the safeguarding of 4,700 jobs, and the provision of 20,000 man-years of work through orders for the construction and plant and equipment industries, and an annual benefit to the balance of payments of £150m. from 1982.

"About 25 per cent of these projects will help to relieve potential bottlenecks in vital supplies to U.K. industry. A further 119 projects costing £1,200m. are under consideration.

"Further applications are flowing in at such a rate that it appears likely that the £100m. allocated to the scheme will be insufficient to meet investment needs. Consequently, the Government has decided to provide a further substantial allocation to this scheme.

The Government will consider sympathetically proposals for extending similar help to growth sectors and will consult relevant sector working parties as appropriate.

The Government was carrying out an interdepartmental review of competition policy, and Ministers were circulating a paper on the scope for changes, to ensure that competition policy makes its full contribution to the

Computer industry is short of staff

BY MAX WILKINSON

A SEVERE shortage of skilled engineering staff is one of the main problems facing the computer industry, according to a report submitted to the computer sector working party.

The report, by a sub-committee, says: "The growth of the U.K. computer industry has been held back by severe shortages in several key areas of staff." The shortage would worsen as computing spread to more areas.

"Part of the responsibility for these shortages lies with the lack of training in the industry. The Government and other bodies responsible for training should 'take urgent steps to establish a properly financed national system of centres for the education and training of computer related staff."

More efforts should be made by schools to prepare pupils for a career in computing.

The worldwide shortage of computer analysts and programmers had been recognised in France and Germany, where significant sums had been allocated for training in this field.

"Within the German four-year plan from 1976-79, £80m. has been set aside for this purpose."

But in the U.K., the development of the computer industry had not been paralleled by a similar development in training.

In the whole industry, a 13.6 per cent. annual increase in productivity had been accompanied by a decline in the numbers employed. Last year, 7,000 fewer people were employed than in the peak year of 1971.

"This was largely due to the switch to smaller integrated electronic circuits—suitable for more capital intensive assembly methods—and to the drop in demand for certain electro-mechanical peripherals."

But as computing spreads into new areas, manufacturers expect to be expanding their workforces again.

A survey of 10 companies representing 70 per cent of the industry's labour force showed that an increase of 3,700 people employed—bringing the total to 36,000—was expected by 1980.

The computer sector working party said turnover of the U.K. data processing industry reached nearly £800m. in 1976 and that the market for computers and peripherals had been doubling every five years.

However, the sector was running a balance of payments deficit of £110m. in 1976, which was getting worse in spite of the growth of exports.

The sector working party established an initial aim of reversing the deficit to a balance of payments surplus of £200m. by 1980, but it recognised that where profitable companies wish to expand their business rapidly, viewed.

Productivity

Sector working parties have pointed to the relationship between higher productivity or flexibility and improved security of employment. For example, one has suggested that the tentative employment target, implying an overall contraction in the labour force, should be achieved alongside guarantees of secure employment for existing employees.

Reducing the differences in the employment conditions between manual and non-manual workers is mentioned as an important factor in securing consent to changes designed to secure improved performance.

Some working parties, especially in engineering sectors, refer to the constraints on output caused by domestic components supply. These are likely to be a major impediment to growth in some sectors and an encouragement to greater imports.

There is concern about the effect of sharp variations in public expenditure on capital equipment. Some working parties recommend a long-term rolling programme for public sector expenditure and counter-cyclical investment policies.

Turning to finance, the memorandum states that the working parties generally indicate that, given an improvement in profitability, their sectors should be able to generate or attract the finance needed to achieve their objectives.

Many report that significant investment will be needed to achieve objectives and their ability to raise finance will be dependent on their increasing profitability in order to generate sufficient cash flow internally or to attract external finance.

Difficulties may also arise where profitable companies wish to expand their business rapidly, viewed.

success of the industrial strategy—a matter to be discussed with the National Economic Development Council.

"In this paper we have emphasised the need to improve productivity, and many sector working parties have already identified this as the key in increasing their sector's competitiveness.

"They will have to persuade individual companies within their sectors to adopt these strategies in pursuit of sectoral improvement. This work will be considerably more difficult than the work which preceded it."

Prospects

Sector working parties' views on prospects and opportunities needed to be brought to the attention of the managements and workforce concerned. Trade associations and unions could help in this.

"Where sector working parties have worked on problems that directly affect managements and workers in individual plants—such as the scope for improving productivity—they may wish to find some direct means of communicating this by arranging visits by external strategy teams."

These and other means drawn by the Government and the industry have made available an additional parties on the council," the paper said.

Consultation

"It will be for companies concerned to decide how best to consult their workforces on the subject of these discussions."

These detailed discussions would be more effective, and the sector working parties would have more momentum, if the visits by external strategy teams became widely known.

"This is a job for all the parties on the council," the paper said.

Redemption Notice

City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due March 1, 1985

NOTICE IS HEREBY GIVEN, pursuant to Fiscal Agency Agreement dated as of March 1, 1976 under which the above described Bonds were issued, that Citibank, N.A., Fiscal Agent, has selected for redemption on March 1, 1978, for redemption of the Sinking Fund, \$2,000,000 principal amount of said Bonds. The Sinking Fund redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected for lot for redemption are as follows:

BOND NUMBERS																							
1	351	676	998	1203	1479	1987	2088	2281	2498	2690	2846	3021	3184	3354	3538	3717	3881	4046	4236	4404	4585	4728	4891
2	354	679	999	1204	1480	1988	2089	2282	2499	2691	2847	3022	3185	3355	3539	3718	3882	4047	4237	4405	4586	4729	4892
3	357	682	1000	1205	1481	1989	2090	2283	2500	2692	2848	3023	3186	3356	3540	3719	3883	4048	4238	4406	4587	4730	4893
4	359	683	1003	1206	1482	1990	2091	2285	2501	2693	2849	3024	3187	3357	3541	3720	3884	4049	4239	4407	4588	4731	4894
5	360	686	1006	1207	1483	1991	2092	2286	2502	2694	2850	3025	3188	3358	3542	3721	3885	4050	4240	4408	4589	4732	4895
6	363	689	1009	1208	1484	1992	2093	2287	2503	2695	2851	3026	3189	3359	3543	3722	3886	4051	4241	4409	4590	4733	4896
7	365	691	1011	1211	1485	1993	2094	2288	2504	2696	2852	3027	3190	3360	3544	3723	3889	4052	4242	4410	4591	4734	4897
8	368	694	1014	1212	1486	1994	2095	2289	2505	2697	2853	3028	3191	3361	3545	3724	3890	4053	4243	4411	4592	4735	4898
9	370	696	1016	1213	1487	1995	2096	2290	2506	2698	2854	3029	3192	3362	3546	3725	3891	4054	4244	4412	4593	4736	4899
10	371	695	1015	1218	1487	1995	2096	2290	2506	2698	2854	3029	3192	3362	3546	3725	3892	4054	4244	4412	4593	4736	4899
11	373	698	1016	1219	1493	1996	2097	2291	2489	2671	2835	3011	3193	3363	3549	3726	3893	4056	4246	4413	4594	4737	4900
12	375	700	1018	1220	1494	1997	2098	2292	2490	2672	2836	3012	3194	3364	3550	3727	3894	4057	4247	4414	4595	4738	4901
13	376	703	1021	1221	1495	1998	2099	2293	2491	2673	2837	3013	3195	3365	3551	3728	3895	4058	4248	4415	4596	4739	4902
14	378	705	1023	1222	1496	1999	2100	2294	2492	2674	2838	3014	3196	3366	3552	3729	3896	4059	4249	4416	4597	4740	4903
15	381	703	1025	1223	1497	2000	2101	2295	2493	2675	2839	3015	3197	3367	3553	3730	3897	4060	4250	4417	4598	4741	4904
16	383	706	1026	1224	1498	2001	2102	2296	2494	2676	2840	3016	3198	3368	3554	3731	3898	4061	4251	4418	4599	4742	4905
17	386	709	1029	1225	1499	2002	2103	2297	2495	2677	2841	3017	3199	3369	3555	3732	3899	4062	4252	4419	4600	4743	4906
18	388	710	1032	1226	1500	2003	2104	2298	2496	2678	2842	3018	3200	3370	3556	3733	3900	4063	4253	4420	4601	4744	4907
19	390	712	1034	1227	1501	2004	2105	2299	2497	2679	2843	3019	3201	3371	3557	3734	3901	4064	4254	4421	4602	4745	4908
20	393	715	1037	1228	1502	2005	2106	2300	2498	2680	2844	3020	3202	3372	3558	3735	3902	4065	4255	4422	4603	4746	4909
21	395	716	1038	1230	1503	2006	2107	2301	2499	2681	2845	3021	3203	3373	3559	3736	3903	4066	4256	4423	4604	4747	4910
22	397	718	1040	1231	1504	2007	2108	2302	2500	2682	2846	3022	3204	3374	3560	3737	3904	4067	4257	4424	4605	4748	4911
23	400	721	1043	1232	1505	2008	2109	2303	2501	2683	2847	3023	3205	3375	3561	3738	3905	4068	4258	4425	4606	4749	4912
24	402	723	1045	1233	1506	2009	2110	2304	2502	2684	2848	3024	3206	3376	3562	3739	3906	4069	4259	4426	4607	4750	4913
25	405	726	1048	1234	1507	2010	2111	2305	2503	2685	2849	3025	3207	3377	3563	3740	3907	4070	4260	4427	4608	4751	4914
26	407	728	1050	1235	1508	2011	2112	2306	2504	2686	2850	3026	3208	3378	3564	3741	3908	4071	4261	4428	4609	4752	4915
27	410	731	1053	1236	1509	2012	2113	2307	2505	2687	2851	3027	3209	3379	3565	3742	3909	4072	4262	4429	4610	4753	4916
28	412	733	1055	1237	1510	2013	2114	2308	2506	2688	2852	3028	3210	3380	3566	3743	3910	4073	4263	4430	4611	4754	4917
29	415	736	1058	1238	1511	2014	2115	2309	2507	2689	2853	3029	3211	3381	3567	3744	3911	4074	4264	4431	4612	4755	4918
30	417	738	1060	1239	1512	2015	2116	2310	2508	2690	2854	3030	3212	3382	3568	3745	3912	4075	4265	4432	4613	4756	4919
31	420	741	1063	1240	1513	2016	2117	2311	2509	2691	2855	3031	3213	3383	3569	3746	3913	4076	4266	4433	4614	4757	4920
32	422	743	1065	1241	1514	2017	2118	2312	2510	2692	2856	3032	3214	3384	3570	3747	3914	4077	4267	4434	4615	4758	4921
33	425	746	1068	1242	1515	2018	2119	2313	2511	2693	2857	3033	3215	3385	3571	3748	3915	4078	4268	4435	4616	4759	4922
34	427	748	1070	1243	1516	2019	2120	2314	2512	2694	2858	3034	3216	3386	3572	3749	3916	4079	4269	4436	4617	4760	4923
35	430	751	1073	1244	1517	2020	2121	2315	2513	2695	2859	3035	3217	3387	3573	3750	3917	4080	4270	4437	4618	4761	4924
36	432	753	1075	1245	1518	2021	2122	2316	2514	2696	2860	3036	3218	3388	3574	3751	3918	4081	4271	4438	4619	4762	4925
37	435	756	1078	1246	1519	2022	2123	2317	2515	2697	2861	3037	3219	3389	3575	3752	3919	4082	4272	4439	4620	4763	4926
38	437	758	1080	1247	1520	2023	2124	2318	2516	2698	2862	3038	3220	3390	3576	3753	3920	4083	4273	4440	4621	4764	4927
39	440	761	1083	1248	1521	2024	2125	2319	2517	2699	2863	3039	3221	3391	3577	3754	3921	4084	4274	4441	4622	4765	4928
40	442	763	1085	1249	1522	2025	2126	2320	2518	2700	2864	3040	3222	3392	3578	3755	3922	4085	4275	4442	4623	4766	4929
41	445	766	1088	1250	1523	2026	2127	2321	2519	2701	2865	3041	3223	3393	3579	3756	3923	4086	4276	4443	4624	4767	4930
42	447	768	1090	1251	1524	2027	2128	2322	2520	2702	2866	3042	3224	3394	3580	3757	3924	4087	4277	4444	4625	4768	4931
43	450	771	1093	1252	1525	2028	2129	2323	2521	2703	2867	3043	3225	3395	3581	3758	3925	4088	4278	4445	4626	4769	4932
44	452	773	1095	1253	1526	2029	2130	2324	2522	2704	2868	3044	3226	3396	3582	3759	3926	4089	4279	4446	4627	4770	4933
45	455	776	1098	1254	1527	2030	2131	2325	2523	2705	2869	3045	3227	3397	3583	3760	3927	4090	4280	4447	4628	4771	4934
46	457	778	1100	1255	1528	2031	2132	2326	2524	2706	2870	3046	3228	3398	3584	3761	3928	4091	4281	4448	4629	4772	4935
47	460	781	1103	1256	1529	2032	2133	2327	2525	2707	2871	3047	3229	3399	3585	3762	3929	4092	4282	4449	4630	4773	4936
48	462	783	1105	1257	1530	2033	2134	2328	2526	2708	2872	3048	3230	3400	3586	3763	3930	4093	4283	4450	4631	4774	4937
49	465	786	1108	1258	1531	2034	2135	2329	2527	2709	2873	3049	3231	3401	3587	3764	3931	4094	4284	4451	4632	4775	4938
50	467	788	1110	1259	1532	2035	2136	2330	2528	2710	2874	3050	3232	3402	3588	3765	3932	4095	4285	4452	4633	4776	4939
51	470	791	1113	1260	1533	2036	2137	2331	2529	2711	2875	3051	3233	3403	3589	3766	3933	4096	4286	4453	4634	4777	4940
52	472	793	1115	1261	1534	2037	2138	2332	2530	2712	2876	3052	3234	3404	3590	3767	3934	4097	4287	4454	4635	4778	4941
53	475	796	1118	1262	1535	2038	2139	2333	2531	2713	2877	3053	3235	3405	3591	3768	3935	4098	4288	4455	4636	4779	4942
54	477	798	1120	1263	1536	2039	2140	2334	2532	2714	2878	3054	3236	3406	3592	3769	3936	4099	4289	4456	4637	4780	4943
55	480	801	1123	1264	1537	2040	2141	2335	2533	2715	2879	3055	3237	3407	3593	3770	3937	4100	4290	4457	4638	4781	4944
56	482	803	1125	1265	1538	2041	2142	2336	2534	2716	2880	3056	3238	3408	3594	3771	3938	4101	4291	4458	4639	4782	4945
57	485	806	1128	1266	1539	2042	2143	2337	2535	2717	2881	3057	3239	3409	3595	3772	3939	4102	4292	4459	4640	4783	4946
58	487	808	1130	1267	1540	2043	2																

TO LET PRESTIGE AIR CONDITIONED OFFICES



**2nd and 3rd FLOOR OFFICES AVAILABLE
from 9,000 sq.ft to 40,000 sq.ft.**

Amenities

- 4 high speed lifts
 - Full air conditioning
 - Lights and carpeting
 - Marble entrance hall
 - Telephones
 - Basement car parking
 - Landscaped courtyard
 - 24 hour access
 - Resident caretaker
 - Uniformed Commissionaires
- ⊕ Warren Street, Victoria & Northern Lines directly opposite.
- ⇒ Euston, Kings Cross, St. Pancras, Baker St. close by.

Immediate possession is available.



**MATTHEWS
&
GOODMAN**
72 Upper Thames St. EC4R 3UA
01248 3200

FOR COLOUR BROCHURE WITH FLOOR PLANS, CLIP COUPON AND SEND TO
THE JOINT AGENTS, INTERNATIONAL HOUSE, 101 NEW BOND ST, LONDON W1 9LG

NAME _____

COMPANY _____

ADDRESS _____

Strategy will be greater use of existing flying facilities

Runway

The Government says there is no shortage of runway or terminal capacity in Scotland. Responsibility for airports policy

AIR PASSENGER DEMAND IN GREAT BRITAIN										
Millions of Passengers										
	1975		1976		1980		1985		1990	
	Low	High	Low	High	Low	High	Low	High	Low	High
London Area										
International	24.9	26.8	32.4	37.1	46.3	57.1	60.0	80.0	80.0	80.0
Domestic	3.9	4.2	4.3	4.8	5.1	6.4	5.9	8.1	8.1	8.1
Regional Airports										
International	5.3	5.6	6.2	7.3	8.8	11.6	10.8	15.4	15.4	15.4
Domestic	6.6	7.0	7.0	7.9	7.9	9.7	9.4	12.1	12.1	12.1
Total Great Britain										
International	30.2	32.4	38.6	44.4	55.1	68.7	70.8	96.4	96.4	96.4
Domestic	10.5	11.2	11.3	12.7	13.0	16.1	15.3	20.2	20.2	20.2
Total	40.7	43.6	49.9	57.1	68.1	84.8	86.1	117.7	117.7	117.7

passengers a year, but further growth beyond that being limited by physical terrain and other problems;

● Limited expansion of Stansted's currently under-utilised facilities to try

Heathrow's Terminal 3: congestion at the largest international airport

But more significantly, the White Paper says the Government intends to prohibit from January 1, 1986, the use of "all non-noise-certificated subsonic jet aircraft on the U.K. register." The effect of this will be to

IN GREAT BRITAIN						
Passengers						
Year	1980		1985		1990	
	High	Low	High	Low	High	Low
1984	37.1	46.3	57.1	60.0	80.8	82.8
1985	4.8	5.1	6.4	5.9	8.0	8.2
1986	7.3	8.8	11.6	10.8	15.1	15.2
1987	7.9	7.9	9.7	9.4	12.1	12.2
1988	16.6	44.4	55.1	68.7	70.8	96.0
1989	13.3	12.7	13.0	16.1	15.3	20.0
1990	9.9	57.1	68.1	84.8	86.1	117.0

which further aid from the State or airport developments or expropriations will only be given in "wholly exceptional circumstances."

It rejects outright any sugges-

Scotland

LEGAL NOTICES

No. 00237 of 1978

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the
Matter of CHEM-MECH SERVICES
LIMITED and in the Matter of The

named Company by the High Court of Justice was on the 3rd day of January 1878, and that the said Company is now THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, Strand, London, and that the said Company is now and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, on the 12th day of February 1878, and any creditor or contributory of the said Company desirous to oppose the said Petition may appear at the said Court on the said day, and at the time of hearing in person or by counsel for this purpose; and a copy of the Petition may be obtained by any creditor or contributory of the said Company requiring the same on payment of the regulated charge for the same.

G. KRUIORIAN,
Solicitor for the Petitioner.

SARCLAYS BANK LIMITED

NOTICE IS HEREBY GIVEN that the REGISTER OF HOLDERS of Ordinary Stock of the Company will be CLOSED from 1st March 1978 to 3rd April 1978 both dates inclusive.

D. H. JOHNSON, Secretary.

14, Lombard Street,
London, EC3

Biggin Hill

THE SENATOR OF CUSCOADENSON TRADING
LIMITED and in the Matter of THE
COMPANIES ACT, 1948.
NOTICE IS HEREBY GIVEN that a
Petition for the winding up of the
above-named Company by the High Court
of Justice was on the 24th day of January
1978 presented to the said Court by THE
DEPARTMENT OF HEALTH AND

SOCIAL SECURITY OF State House, High School, London, W.C.I., and that the said Petition is directed to be heard by the Honorable the Attorney General, Office of Justice, Strand, London, W.C.I., on the 27th day of February 1978, and that the said contributory or contributors of the said Company desirous of support or opposition to the making of an Order on the said Petition may appear at the time of the hearing of the said petition for the purpose of their presence, and a copy of the Petition will be furnished by the undersigned to creditors/contributors of the said Company requiring them to appear on payment of the regulated charge for the same.

M. W. M. OSMOND.
Solicitor.
High School, London, W.C.I.

NOTE—Any person who intends to appear at the hearing of the said petition must serve on or send by post, to be received by the undersigned, a written statement of his name and address.

FUND, Until 8 March. Mon-Fri 9.30-5.00
 Sat 10-1. **OX GALLERIES** Exhibition of the **Paintings by British and European Artists from 1700-1845.** Catalogue £7.50. **London, 1-7 Feb. 01-734 2628.** **DMEL GALLERIES** **Paintings by French Modern Artists.** **London, 1-7 Feb. 01-734 2628.**

OMELL GALLERIES, Fine. Modern and
French MODERN PAINTINGS

FARMING AND RAW MATERIALS

Potato market weakens

By Our Commodities Staff

POTATO PRICES have started to weaken again, with farmers expected to direct their labour to lessening-out potatoes as weather conditions make handwork difficult, according to the latest market report from the Potato Marketing Board.

The Board estimates that stocks on farms at the end of December totalled about 1,850,000 tonnes, excluding seed required for planting in 1978.

This is 500,000 tonnes more than the year ago stocks figure, which was the last "normal" crop before two years of abnormally poor crops.

The Board claims, therefore, that there should be only a marginal surplus of supplies from the 1977 crop. But it admits at the big unknown factor is a degree to which consumption has been affected by the two years of scarcity and high prices.

The signs were that household consumption was recovering to 1974-75 levels, but this included a large element of "free" supplies drawn mainly from domestic growing of potatoes stimulated by the high prices.

The rate of consumption of potatoes through the market during the week to December 1977 fell to 100,000 tonnes, compared with 110,000 in 1974-75.

Under its support-buying programme, aimed at bolstering market prices, the Board has received offers for 900,000 tonnes, but so far only 300,000 tonnes had actually been put under contract.

Russian buying rumours persist in sugar market

By Our Commodities Staff

A HIGH level of sugar export authorisations at yesterday's EEC open market tender was seen in some quarters yesterday as support for reports that the Soviet Union is buying sugar on the world market.

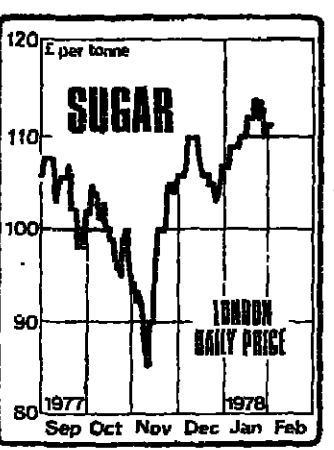
The EEC Commission authorised sales totalling 69,015 tonnes of white sugar, but again received no offers for raw sugar. The maximum export licence granted this week was 21.25 units of account per 100 kilos compared with 21.27 last week.

Many traders are still convinced that the Soviet Union is buying world market sugar, and that the Soviet Union is buying world market sugar, and that the Soviet Union is buying world market sugar.

It may be, however, that the Cubans will ship less sugar to Russia this year in order to fulfil their export quota under the International Sugar Agreement.

Alternatively it is argued that the Soviet Union may simply be taking advantage of the current very low world market prices.

Prominent world sugar market operators told Reuters yesterday that they understood that Soviet



sugar beet harvest of 93.3m tonnes in 1977 - a respectable showing, but still well short of the record crop of 99.9m tonnes achieved in 1976, according to the detailed economic plan results just released by the Soviet Statistical Board.

The total came as something of a disappointment after the announcement late last year that Soviet farmers had sold 85m tonnes of sugar beet to the State - just short of the 1976 record of 88.2m tonnes.

The harvest is expected to yield more sugar than did the 1976 harvest, however, because of the higher sugar content of the beets. The Soviet news agency, Tass, reported recently that the Soviet Union expected to produce 5m tonnes of sugar from the 1977 harvest, which is a significant improvement on the 1976 harvest when an October frost caused the deterioration of many beets still in the fields.

The final figure for the disappointing 1977 grain harvest was given as 195.5m tonnes. This is 17.5m tonnes below the target, but the final total for the record cotton harvest was given as 3.76m tonnes.

The final figure for the sunflower seed harvest was given as 5.57m tonnes - an 11 per cent improvement over the harvest in 1976, but below the 1975 record of 6.1m tonnes.

Another big trade house official said he was not surprised to "learn of the Soviet denial of the rumours, because they are buying not only EEC white sugar but also Cuban sugar as well."

David Salter, a senior Moscow-based trade house official, said he was not surprised to "learn of the Soviet denial of the rumours, because they are buying not only EEC white sugar but also Cuban sugar as well."

Fears over U.S. grain area cuts

By Our Commodities Staff

MR. BOB BERGLAND, U.S. Agriculture Secretary, is worried that American farmers may not co-operate with his plans for reducing the national acreage sown with maize and other feed grains this year.

He told a Congressional agriculture committee in Washington yesterday that the reduction would be either 10 per cent or nothing at all, reports Reuters.

He would announce "shortly" his decision on how much of the acreage he wants to see voluntarily "set aside" from grain production.

He added, however, that early indications showed that few farmers seemed likely to follow the government's lead in the benefits offered by the government under such a programme.

Grain prices have strengthened lately, and even though all forecasts point to heavy stocks of cereals at the end of the season, growers appear to be planning to go ahead with their normal sowing plans in the hope of benefiting from the stronger market.

U.K. CHIPBOARD INDUSTRY A past littered with company corpses

By A CORRESPONDENT

THE NEWS this week that Bion Werke, a West German manufacturer of wood chipboard machinery, has finally bought Scottish Timber Products of Cowie means that another large section of the U.K. wood chipboard manufacturing industry has passed into overseas hands.

Of Britain's ten sizeable wood chipboard mills, six are now subsidiaries of overseas companies and it is perhaps significant that the only other serious contender to buy STP, which has been in the Receiver's hands since last September, was a Finnish company, Pellos - a Finnish company.

Weyroc, which operates four mills, belongs to Swedish Match, while Kronospan, with a mill at Chirk, is Austrian. U.K.-owned mills include Scotland, owned by British Plyboard, and a mill made at Coleraine in Ulster and at South Molton in Devon and owned by Aaronson Bros; and Flakeland at Monmouth. There are also one or two smaller mills which concentrate on producing chipboard for further manufacture by their operators. F. Hills, a joinery company, has its own chipboard mill as has Mallinson-Denny.

The history of wood chipboard manufacture in the U.K. is littered with the corpses of companies, but the thread linking them is that they were conceived, took longer to build-up and run than envisaged, and came on stream just in time to catch the recession which followed each boom in the timber cycle.

They were then caught in the full blast of competitive pricing from Scandinavian and other European countries whose economies are far more forestry-orientated than our own.

The one brand name which has survived through thick and thin is Weyroc, although even here the parent company has had its changes. Originally owned by British Match, it was taken over by Wilkinson Match who in turn sold to Swedish Match.

Over the years Weyroc has been the "owner of last resort" for a number of the hopeful brands which appeared at the top of every timber list. At Rainham in Essex, was one of the first post-war mills. It was bought by Formica, who sold it to Weyroc, who closed it down. Exactly the same process was applied to Tyneboard, made at Walsend, which was bought by Marks & Spencer, who sold it to Weyroc. In Essex and was one of the first continuous process boards. The company went into difficulty, was bought by Weyroc and closed down. At Thetford, the Norfolk mill had been in production for a long time when it was bought by Weyroc and closed down after a fire in the drying section. It remained closed for several years, but is now one of Weyroc's four producing mills.

In Scotland, Naime, better known for their floor coverings, had bought the Bonawood mill. They sold it to North Eastern Timber, then a public company and now part of the Mallinson-Denny group. North Eastern Timber bought Bonawood for much of a strain on their resources and closed it down. Within a few months, ironically, the market had turned and the mill's production was needed.

Scottish Timber Products was the brain child of Mr. Michael Lyons, an ex-Formica man, whose ambitious plan was to build the largest wood chipboard mill in Europe at Cowie in Stirlingshire. Various backers came forward, including the Scottish Development Authority, Chase Manhattan Bank and Tihlil Forestry. The original scheme was costed at about 17m.

When it became clear that the original investment would not be made, Lyons was left with a number of shareholders. His choice was Mr. Robin Pegna, whose merchant banking background included some notable successes at turning round ailing concerns.

Chipboard, however, is not like any other industry. The manufacturing technology is complicated and the two main consumer industries - construction and furniture - are highly cyclical. Last year both of these industries were in over supply and prices were falling, STP bowed to the inevitable and closed in a Receiver last September.

The industry's future will probably be as stormy as its past. The basic difficulty it faces is that it can always be undercut by the low cost forestry countries at times of low demand.

The Forestry Commission and our private woodland owners would probably like to see some form of subsidy or protection, as the industry is an important outlet for softwood thinning and waste. On the other hand the mills are largely automated and employ relatively few people in mostly rural districts where the political pressures are weak.

Australian wool dearer

By Our Commodities Staff

BRISBANE, Feb. 1. PRICES OF ALL descriptions of merino and crossbred fleeces and carlines and wools rose this week's sale here, reported Reuters.

Of the 16,589 bales on offer, including 13,036 bales sold by sample and 61 bales sold by comparison, the trade took 90.5 per cent, and the Australian Corporation bought the remainder.

Japan was the main buyer, with strong support from Eastern Europe, the EEC and local mills.

The Australian Government tends to extend to two years on one the Wool Corporation's re-turchase scheme.

The scheme is a trial of the Corporation's commercial ability to buy, handle and sell wool obtained directly from farmers rather than at auctions.

Brazil coffee policy doubts

By Our Commodities Staff

TRADE SOURCES here said that expectations were growing that the Brazilian Coffee Institute (IBC) might have to modify its sales strategy fairly soon because of the continuing slow pace of export sales.

With sales for January/February shipment, excluding those pushed forward from December, totalling only an estimated 300,000 bags so far, against a target of 800,000 bags a month, the current sales policy did not appear to be working as well as hoped.

Trade sources said that they thought some adjustment in the price guarantee could be under study at the IBC, but added that with its president, Sr. Camillo Calazans, at the Boca Raton coffee conference, they did not expect any decisions until after next week's Carnival holiday.

There had been no information so far from the Government about Brazil's January trade figures. These would be helped

by the inclusion of about 400,000 bags, which were originally sold for December but not shipped until this month.

The sources said, however, that they did not believe that, being in mind of the aim of a healthy surplus this year, the revenue from fresh sales for January and February shipment would be sufficient to allow its coffee marketing policy to continue unaltered for much longer.

Apart from a sizeable sale to a prominent U.S. roaster early this month and a purchase by Poland recently of about 30,000 bags, business this year had been limited to scattered buying in small amounts.

A forecast from the Parana agriculture secretariat of a 20 per cent fall in the State's next coffee crop because of a leaf disease and lack of rain brought a sceptical response from coffee traders here.

The secretariat said that the 1978-79 crop estimate had been

reduced to 4m bags (800,000 kls) from an earlier estimate of 5m.

Dry weather late last year was reported to have harmed the flowering and encouraged a healthy surplus this year, which can cause leaves to curl up and drop off.

Trade sources said that, while there was no denying the existence of "bicho mineiro" in north Parana, they had not received any information to show that it was serious enough to cause a noticeable fall in the next crop.

It was still too early to forecast the coming crop with any accuracy.

Trade estimates for Parana at the moment, mostly about 1.5m bags, although some were expecting a crop as low as 4m. These sources said they had not reduced their estimates because of lack of rain or "bicho mineiro".

Reuters

General fall in metals

By Our Commodities Staff

THERE WAS a general decline in base metal markets yesterday as renewed selling pressure developed in the wake of the recent period of stability.

The downward move was triggered off by lead, which was hit by profit taking sales - after the recent rise - encouraged by trade and speculative selling.

As a result, cash lead closed 111.25 lower at 111.25, a new low.

Cash zinc followed the trend in lead losing 18.75 to 238.50 a tonne, while copper cash wires fell by 5.75 to 182.75 a tonne in quiet trading.

Tin was boosted initially by unconfirmed rumours of a shipment being lost at sea. Values later lost ground, however, and cash tin closed 10.10 lower at 26,365 a tonne.

Landowners' wealth tax protest

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

MR. ROGER PAUL, president of the "Landowners' Association", has written to Mr. Joel Barnett, Chief Secretary to the Treasury, protesting about the effects of the proposed wealth tax on agriculture.

Agriculture was the most capital intensive industry in the country, he said. Total investment per acre engaged in agriculture was 135,000, compared with 115,000 in the rest of the country.

In addition, the average annual investment in agriculture was 1514 per person engaged - about 30 per cent higher than in industry as a whole.

Much of this capital was invested in land which was "highly illiquid" and earned a very low rate of return. This meant that any capital taxation which had to be paid in cash would reduce the amount available for investment.

About 10 per cent of the total value of land in the country was owned by tax exempt institutions and would be paying a disproportionate share of the wealth tax burden while other forms of wealth, such as accrued pension rights, would probably find that their holdings would be below the wealth tax threshold.

Because of the high value of land today, even a 200-acre farm was worth about 250,000 and would be at risk from the proposed tax. About 42,000 farms in England and Wales - roughly 20 per cent of the total - would be more than 200 acres and would be paying a disproportionate share of the wealth tax burden while other forms of wealth, such as accrued pension rights, would probably find that their holdings would be below the wealth tax threshold.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER - Eastern although volumes on the London Metal Exchange are thin, demand for metal needs to be met and traded down throughout the day in the market influenced by the fall in lead. There was some recovery in lead after a low start, but it was not enough to prevent a further decline in the afternoon and the close on the LME was 100.00.

Unalloyed metal trading reported:

Grade	Official	Unofficial	Price
High Grade	628.5	627.5	628.0
Low Grade	628.5	627.5	628.0
Standard	628.5	627.5	628.0

IRON - Demand for metal needs to be met and traded down throughout the day in the market influenced by the fall in lead. There was some recovery in lead after a low start, but it was not enough to prevent a further decline in the afternoon and the close on the LME was 100.00.

Unalloyed metal trading reported:

Grade	Official	Unofficial	Price
High Grade	628.5	627.5	628.0
Low Grade	628.5	627.5	628.0
Standard	628.5	627.5	628.0

GRAINS

WHEAT - Demand for metal needs to be met and traded down throughout the day in the market influenced by the fall in lead. There was some recovery in lead after a low start, but it was not enough to prevent a further decline in the afternoon and the close on the LME was 100.00.

Unalloyed metal trading reported:

Grade	Official	Unofficial	Price
High Grade	628.5	627.5	628.0
Low Grade	628.5	627.5	628.0
Standard	628.5	627.5	628.0

MEAT/VEGETABLES

SMITHFIELD (pence per pound) - Beef: 50.00, Pork: 45.00, Mutton: 40.00, Lamb: 35.00, Chicken: 30.00, Turkey: 25.00, Fish: 20.00, Eggs: 15.00, Fruit: 10.00, Vegetables: 5.00.

PRICE CHANGES

Prices per tonne unless otherwise stated.

Commodity	Price
Aluminium	1,680
Copper	1,850
Gold	1,200
Iron	1,100
Lead	1,000
Nickel	1,500
Platinum	1,300
Silver	1,400
Tin	1,200
Zinc	1,100

FINANCIAL TIMES Commodities Appointments

TO-DAY WILL BE APPEARING ON PAGE 15

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical financial help.

To us it is a privilege to help these brave men and women. Now. Please write to help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

FINANCIAL TIMES Commodities Appointments

TO-DAY WILL BE APPEARING ON PAGE 15

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical financial help.

To us it is a privilege to help these brave men and women. Now. Please write to help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

FINANCIAL TIMES Commodities Appointments

TO-DAY WILL BE APPEARING ON PAGE 15

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical financial help.

To us it is a privilege to help these brave men and women. Now. Please write to help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

FINANCIAL TIMES Commodities Appointments

TO-DAY WILL BE APPEARING ON PAGE 15

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical financial help.

To us it is a privilege to help these brave men and women. Now. Please write to help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

STOCK EXCHANGE REPORT

Equities better with tentative improvement in Funds
Trade extremely thin but share index hardens 2.8 to 469.8

Account Dealing Dates
Option
First Declara- Last Account
Dealing Date Dealing Day
Jan. 16 Jan. 26 Jan. 27 Feb. 7
Jan. 30 Feb. 9 Feb. 10 Feb. 21
Feb. 13 Feb. 23 Feb. 24 Mar. 7

* * * New time dealings may take place from 9.30 a.m. to 2.30 p.m. on business days earlier.

A hesitant start in equity markets gave way to firmer conditions soon after the market in British Funds opened with an improved showing. The latter, helped by the covering of short positions and in the absence of sellers, were soon posting gains to around 3 and held to the close.

The Government Securities index, down 1.18 in the previous four trading sessions, regained 0.40 to 78.10 in the day's trading, but a few small orders on the wages front and the clearance of next Monday's third and final call of £320m. on Treasury 101 per cent. 1980.

Early uncertainty in equities followed comment on continuing sluggish industrial output and demand and the gloomy outlook for exports which came through in the latest CBI survey. This, together with the current uncertainties about pay and the tanker drivers' overtime ban left buyers still distinctly wary, but some institutional investors reacted to evidence while bear closing was also having its effect in a thin late trade.

Down 1.4 at 10 a.m., the FT 30-share index was a net 2.9 up at noon; this proved to be the day's best and the closing index was 2.8 up at 469.8. Movements in the constituents rarely exceeded a few pence, but BP, mainly on Wall Street influences, gave up 12 to 264p in John Brown.

Official markings fell away rather sharply to 3.019 as compared with 5.000 plus in the rest of the day, but the rate ratio in FT-quoted equities remained an even showing, a big improvement on Tuesday's 0.1 in favour of falls. Most of the FT-Actuaries groups and sub-sections presented small gains with Wines and Spirits showing a rise of 1.3 per cent. on the increased export prices for whisky as against the 0.3 per cent. rise in the All-share index.

On the other hand, Food Retailers took another step further, further warnings about the effect on profit margins of the High Street price war, the sector index falling 1.4 per cent. to 188.95 which is nearly 20 per cent. below last October's all-time high.

Partial rally in Gilts
Apart from some slightly more encouraging comments about the U.S. economy, there was no change in the background news to affect British Funds, but the recent downturn was judged to

have gone far enough and the absence of sellers following an early mark up led to some covering of short positions which left quotations with widespread gains. Trade remained extremely thin, but rises to 3 established by late morning in the longer maturities were held to the close with the partly-paid tap Exchequer 101 per cent. 1985, regaining 2 of the 11 relinquished over the previous four days. Gains in short-dated issues ranged to 1, but the tone here was looking somewhat hesitant in inter-office business.

Awaiting clarification from the Salisbury and Malta talks about the Rhodesia constitutional issue, the Government Securities index, down 1.18 in the previous four trading sessions, regained 0.40 to 78.10 in the day's trading, but a few small orders on the wages front and the clearance of next Monday's third and final call of £320m. on Treasury 101 per cent. 1980.

Early uncertainty in equities followed comment on continuing sluggish industrial output and demand and the gloomy outlook for exports which came through in the latest CBI survey. This, together with the current uncertainties about pay and the tanker drivers' overtime ban left buyers still distinctly wary, but some institutional investors reacted to evidence while bear closing was also having its effect in a thin late trade.

Down 1.4 at 10 a.m., the FT 30-share index was a net 2.9 up at noon; this proved to be the day's best and the closing index was 2.8 up at 469.8. Movements in the constituents rarely exceeded a few pence, but BP, mainly on Wall Street influences, gave up 12 to 264p in John Brown.

Official markings fell away rather sharply to 3.019 as compared with 5.000 plus in the rest of the day, but the rate ratio in FT-quoted equities remained an even showing, a big improvement on Tuesday's 0.1 in favour of falls. Most of the FT-Actuaries groups and sub-sections presented small gains with Wines and Spirits showing a rise of 1.3 per cent. on the increased export prices for whisky as against the 0.3 per cent. rise in the All-share index.

On the other hand, Food Retailers took another step further, further warnings about the effect on profit margins of the High Street price war, the sector index falling 1.4 per cent. to 188.95 which is nearly 20 per cent. below last October's all-time high.

Partial rally in Gilts
Apart from some slightly more encouraging comments about the U.S. economy, there was no change in the background news to affect British Funds, but the recent downturn was judged to

have gone far enough and the absence of sellers following an early mark up led to some covering of short positions which left quotations with widespread gains. Trade remained extremely thin, but rises to 3 established by late morning in the longer maturities were held to the close with the partly-paid tap Exchequer 101 per cent. 1985, regaining 2 of the 11 relinquished over the previous four days. Gains in short-dated issues ranged to 1, but the tone here was looking somewhat hesitant in inter-office business.

Awaiting clarification from the Salisbury and Malta talks about the Rhodesia constitutional issue, the Government Securities index, down 1.18 in the previous four trading sessions, regained 0.40 to 78.10 in the day's trading, but a few small orders on the wages front and the clearance of next Monday's third and final call of £320m. on Treasury 101 per cent. 1980.

Early uncertainty in equities followed comment on continuing sluggish industrial output and demand and the gloomy outlook for exports which came through in the latest CBI survey. This, together with the current uncertainties about pay and the tanker drivers' overtime ban left buyers still distinctly wary, but some institutional investors reacted to evidence while bear closing was also having its effect in a thin late trade.

Down 1.4 at 10 a.m., the FT 30-share index was a net 2.9 up at noon; this proved to be the day's best and the closing index was 2.8 up at 469.8. Movements in the constituents rarely exceeded a few pence, but BP, mainly on Wall Street influences, gave up 12 to 264p in John Brown.

Official markings fell away rather sharply to 3.019 as compared with 5.000 plus in the rest of the day, but the rate ratio in FT-quoted equities remained an even showing, a big improvement on Tuesday's 0.1 in favour of falls. Most of the FT-Actuaries groups and sub-sections presented small gains with Wines and Spirits showing a rise of 1.3 per cent. on the increased export prices for whisky as against the 0.3 per cent. rise in the All-share index.

On the other hand, Food Retailers took another step further, further warnings about the effect on profit margins of the High Street price war, the sector index falling 1.4 per cent. to 188.95 which is nearly 20 per cent. below last October's all-time high.

Partial rally in Gilts
Apart from some slightly more encouraging comments about the U.S. economy, there was no change in the background news to affect British Funds, but the recent downturn was judged to

have gone far enough and the absence of sellers following an early mark up led to some covering of short positions which left quotations with widespread gains. Trade remained extremely thin, but rises to 3 established by late morning in the longer maturities were held to the close with the partly-paid tap Exchequer 101 per cent. 1985, regaining 2 of the 11 relinquished over the previous four days. Gains in short-dated issues ranged to 1, but the tone here was looking somewhat hesitant in inter-office business.

Awaiting clarification from the Salisbury and Malta talks about the Rhodesia constitutional issue, the Government Securities index, down 1.18 in the previous four trading sessions, regained 0.40 to 78.10 in the day's trading, but a few small orders on the wages front and the clearance of next Monday's third and final call of £320m. on Treasury 101 per cent. 1980.

turn to 23p, while SGE shed 4 to 146p and BPB Industries 3 to 238p. Still overshadowed by a Young, in receipt of a bid approach from Trafalgar House, gained 3 more to 35p and Whesoe were slightly harder at 83p on Press comment. Others to fare better included WGL 87p, Birmah Quilts, 88p, and Renault, 181p, all up 3, while smaller-priced issues with similar gains took in Brooke Tool, 27p, and Spencer Gear, 33p. Against the trend, Rotork slipped 2 to 120p and ACE Machinery were lowered 4 to 100p, the latter after the reduced profits. Reflecting the doubled annual loss, Bertrams gave up 2 at 17p.

W. H. Smith easier
Apart from W. H. Smith "A", which gave up 4 at 151p, leading Stores turned firmer on technical influences. Marks and Spencer hardened 2 to 142p as did Mothercare to 176p, while UDS improved a penny to 92p. Elsewhere, James Beattie "A" gained 4 at 90p but Alfred Pridy shed that amount at

Wednesday, while small buying in an oversold market pushed WGL up 7 to 111p. Young Austen & Co. Young, in receipt of a bid approach from Trafalgar House, gained 3 more to 35p and Whesoe were slightly harder at 83p on Press comment. Others to fare better included WGL 87p, Birmah Quilts, 88p, and Renault, 181p, all up 3, while smaller-priced issues with similar gains took in Brooke Tool, 27p, and Spencer Gear, 33p. Against the trend, Rotork slipped 2 to 120p and ACE Machinery were lowered 4 to 100p, the latter after the reduced profits. Reflecting the doubled annual loss, Bertrams gave up 2 at 17p.

Supermarkets encountered a fresh bout of nervousness following the profit margins warning from the chairman of International Stores, which was emphasised later by the half-yearly

figures from Hillards, down 10 to 170p. Substantial losses were also sustained by Wm. Morrison, 13 cheaper at 175p, and Bishop's Stores, 10 lower at 170p, while falls of around 7 were recorded in Wheatheaf, 135p, Wm. Low, 108p, Associated Dairies, 216p, and Kwik Save, 183p. Elsewhere in the Food sector, Tate and Lyle continued a further 10 to 389p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

comment. The appearance of buyers helped Unichrome firm 2 to 15p, after 16p, while Centreway Securities gained 5 to 185p reflecting the interim results. LRC International put on 3 to 45p. Motors took a modest turn for the better. Dowry moved up 6 to 164p helped by news of the large Austrian order for electro-hydraulic servo equipment, while other Components to make headway included Association Engineering, 3 firmer at 120p, and Kwik-Fit, 2 dearer at 48p. Heavies were noteworthy for a gain of 15 to 222p in Gorgies and Distributors. Wilson Bros. were a bright feature in Publishers, rising 4 to 45p on renewed interest. Daily Mail "A", however, declined 5 to 313p as did Thomson to 625p. In Paper/Printings, dealings in the capital reorganisation followed, which took in both a rights issue and a share placing; the shares opened and closed at 44p compared with the suspension price of 51p, while the new fully-paid closed at 45p.

A more assured tone developed in Properties after Tuesday's release on concern about possible inland Revenue tax accounting interpretations. Fresh selling was negligible and this rather than renewed demand instigated the recovery which was more noticeable in second-line issues such as Property and Reversionary, A 8 higher at 308p. Awaiting today's preliminary figures, Beaumont were similarly dearer at 87p, while Bernard Sumner rallied 8 to 408p and Clarke Nickolls rose 5 to 85p. Property Securities rebounded 4 to 140p and Slough Estates picked up 2 to 119p, the latter helped by the acquisition of a German site. British Land, which has exchanged new ordinary shares for a block of Property Investment and Finance, hardened to 39p, while PIF improved a penny further to 109p for a rise of 10 so far this week. Leading concerns were seldom more than two pence firmer. Land Securities resuming that much at 215p, after 216p, and M32 closed the turn to 122p. Stock Conversion closed 2 dearer at 232p, after 234p.

BP unsettled
Lower U.S. advice coupled with the occasional American selling order undermined British Petroleum's relatively thin trading raised Oil Exploration 12 to 330p. Elsewhere, marginal losses appeared against Lasso "OPS", at 370p, and Burnham, at 55p, while Woodside, a firm favourite, gave up 2 further at 88p.

Highlighting Investment Trusts was a jump of 20 to 63p in Scottish and Continental Investment following the utilisation or liquid-

ation proposals. Elsewhere, interest was also shown in Eurotrust advanced 4 to 41p and Scottish European 3 to 37p. In Financials, Dawson Day were favoured and rose a similar amount to 44p. Occasional buying left Common Brox, 3 higher at 195p, and Furness Withy, 2 better at 327p, in Shipings.

Few movements worthy of note emerged in the Textile sector. Parkland A eased 5 to 67p on scattered selling, but Allied framed a penny to 134p awaiting today's preliminary figures. Among Tobaccos, favourable Press comment on the results gave a boost to Bats issues, the Ordinary rising 9 to 254p and the Deferred 6 to 224p.

Single Indonesian were supported at 91p, up 2, but the trend elsewhere in Rubbers was easier. Casfield fell 5 to 185p and Chersonese 11 to 54p. Among Metals, Assam Frontier reacted 15 to 290p and Lunax 5 to 170p.

Golds better
South African Golds enjoyed a good day in line with the bullion price which closed 25 cents higher at £178.125 per ounce in front of the outcome of the monthly international Monetary Fund gold auction. The Gold Mines index regained half of the previous two days' losses with a 2.0 improvement to 153.0. Heavyweights showed rises of up to 2 with Harbested that amount higher at £101, while gains of 4 were common to Randfontein, 232p, Vaul Reef, 211p, and Western Holdings, 151p.

Buying was by no means restricted to the high grade issues as speculative interest lifted "Salties" 7 to 73p and WGL, a similar amount to 57p, after a 1977-78 high of 61p. Durban Deep put on 13 at 320p; following heavy flooding in the lower levels of the mine, production is expected to be reduced by 12,000 tonnes per month. Last quarter it averaged 170,000 tonnes — although endeavours are being made to offset this loss by increasing operations in other areas of the mine.

Continuing optimism over the future course of the free market platinum price prompted further substantial buying of Platinum. Rustenburg advanced 4 more to 98p and Bishopsgate 3 to 83p. "Johnnies" put on 1 to £12 reflecting its large holding in Rustenburg.

Australians were featured by Pampers, which climbed 5p to 825p as the firmness in overnight domestic markets was followed by persistent U.S. interest here. Western Mining, however, dipped to a 1977-78 low of 85p. Elsewhere, the Cornish tin producer South Crofty closed 5 higher at 60p reflecting the firmness of the tin price over the past two days.

TOBACCO
F.T. - Actuaries Index
1977-78
MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB

79p. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

comment. The appearance of buyers helped Unichrome firm 2 to 15p, after 16p, while Centreway Securities gained 5 to 185p reflecting the interim results. LRC International put on 3 to 45p. Motors took a modest turn for the better. Dowry moved up 6 to 164p helped by news of the large Austrian order for electro-hydraulic servo equipment, while other Components to make headway included Association Engineering, 3 firmer at 120p, and Kwik-Fit, 2 dearer at 48p. Heavies were noteworthy for a gain of 15 to 222p in Gorgies and Distributors. Wilson Bros. were a bright feature in Publishers, rising 4 to 45p on renewed interest. Daily Mail "A", however, declined 5 to 313p as did Thomson to 625p. In Paper/Printings, dealings in the capital reorganisation followed, which took in both a rights issue and a share placing; the shares opened and closed at 44p compared with the suspension price of 51p, while the new fully-paid closed at 45p.

A more assured tone developed in Properties after Tuesday's release on concern about possible inland Revenue tax accounting interpretations. Fresh selling was negligible and this rather than renewed demand instigated the recovery which was more noticeable in second-line issues such as Property and Reversionary, A 8 higher at 308p. Awaiting today's preliminary figures, Beaumont were similarly dearer at 87p, while Bernard Sumner rallied 8 to 408p and Clarke Nickolls rose 5 to 85p. Property Securities rebounded 4 to 140p and Slough Estates picked up 2 to 119p, the latter helped by the acquisition of a German site. British Land, which has exchanged new ordinary shares for a block of Property Investment and Finance, hardened to 39p, while PIF improved a penny further to 109p for a rise of 10 so far this week. Leading concerns were seldom more than two pence firmer. Land Securities resuming that much at 215p, after 216p, and M32 closed the turn to 122p. Stock Conversion closed 2 dearer at 232p, after 234p.

BP unsettled
Lower U.S. advice coupled with the occasional American selling order undermined British Petroleum's relatively thin trading raised Oil Exploration 12 to 330p. Elsewhere, marginal losses appeared against Lasso "OPS", at 370p, and Burnham, at 55p, while Woodside, a firm favourite, gave up 2 further at 88p.

Highlighting Investment Trusts was a jump of 20 to 63p in Scottish and Continental Investment following the utilisation or liquid-

ation proposals. Elsewhere, interest was also shown in Eurotrust advanced 4 to 41p and Scottish European 3 to 37p. In Financials, Dawson Day were favoured and rose a similar amount to 44p. Occasional buying left Common Brox, 3 higher at 195p, and Furness Withy, 2 better at 327p, in Shipings.

Few movements worthy of note emerged in the Textile sector. Parkland A eased 5 to 67p on scattered selling, but Allied framed a penny to 134p awaiting today's preliminary figures. Among Tobaccos, favourable Press comment on the results gave a boost to Bats issues, the Ordinary rising 9 to 254p and the Deferred 6 to 224p.

Single Indonesian were supported at 91p, up 2, but the trend elsewhere in Rubbers was easier. Casfield fell 5 to 185p and Chersonese 11 to 54p. Among Metals, Assam Frontier reacted 15 to 290p and Lunax 5 to 170p.

Golds better
South African Golds enjoyed a good day in line with the bullion price which closed 25 cents higher at £178.125 per ounce in front of the outcome of the monthly international Monetary Fund gold auction. The Gold Mines index regained half of the previous two days' losses with a 2.0 improvement to 153.0. Heavyweights showed rises of up to 2 with Harbested that amount higher at £101, while gains of 4 were common to Randfontein, 232p, Vaul Reef, 211p, and Western Holdings, 151p.

Buying was by no means restricted to the high grade issues as speculative interest lifted "Salties" 7 to 73p and WGL, a similar amount to 57p, after a 1977-78 high of 61p. Durban Deep put on 13 at 320p; following heavy flooding in the lower levels of the mine, production is expected to be reduced by 12,000 tonnes per month. Last quarter it averaged 170,000 tonnes — although endeavours are being made to offset this loss by increasing operations in other areas of the mine.

Continuing optimism over the future course of the free market platinum price prompted further substantial buying of Platinum. Rustenburg advanced 4 more to 98p and Bishopsgate 3 to 83p. "Johnnies" put on 1 to £12 reflecting its large holding in Rustenburg.

Australians were featured by Pampers, which climbed 5p to 825p as the firmness in overnight domestic markets was followed by persistent U.S. interest here. Western Mining, however, dipped to a 1977-78 low of 85p. Elsewhere, the Cornish tin producer South Crofty closed 5 higher at 60p reflecting the firmness of the tin price over the past two days.

TOBACCO
F.T. - Actuaries Index
1977-78
MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB

79p. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

Investment buyers showed their hand again for selected Engineering leaders among which John Brown responded sharply with a gain of 12 to 284p. GKN were also to the fore and rose 6 to 270p, while Tube Investments picked up 4 at 389p. Demand for a more speculative nature raised Mining Supplies 3 to 65p, the interim results are due next

week. Status Discount, which reported excellent annual earnings last week, drifted back 5 to 122p. Satisfactory results for the third quarter left Plessey 2 dearer at 81p, while other Electrical leaders to gain a few pence included GEC, 282p, and Thorn, 353p. Buying interest revived in United Scientific, up 5 at 280p, but Farnell Electronic met with scattered offerings and gave up that much at 207p along with Electrocomponents, 4 cheaper at 332p. On the other hand, Wholesale Filings responded to the increased dividend and profits with a rise of 3 to 133p, while Wigfall closed 2 better at 288p after the formal offer document from Comet Radiovision.

comment. The appearance of buyers helped Unichrome firm 2 to 15p, after 16p, while Centreway Securities gained 5 to 185p reflecting the interim results. LRC International put on 3 to 45p. Motors took a modest turn for the better. Dowry moved up 6 to 164p helped by news of the large Austrian order for electro-hydraulic servo equipment, while other Components to make headway included Association Engineering, 3 firmer at 120p, and Kwik-Fit, 2 dearer at 48p. Heavies were noteworthy for a gain of 15 to 222p in Gorgies and Distributors. Wilson Bros. were a bright feature in Publishers, rising 4 to 45p on renewed interest. Daily Mail "A", however, declined 5 to 313p as did Thomson to 625p. In Paper/Printings, dealings in the capital reorganisation followed, which took in both a rights issue and a share placing; the shares opened and closed at 44p compared with the suspension price of 51p, while the new fully-paid closed at 45p.

A more assured tone developed in Properties after Tuesday's release on concern about possible inland Revenue tax accounting interpretations. Fresh selling was negligible and this rather than renewed demand instigated the recovery which was more noticeable in second-line issues such as Property and Reversionary, A 8 higher at 308p. Awaiting today's preliminary figures, Beaumont were similarly dearer at 87p, while Bernard Sumner rallied 8 to 408p and Clarke Nickolls rose 5 to 85p. Property Securities rebounded 4 to 140p and Slough Estates picked up 2 to 119p, the latter helped by the acquisition of a German site. British Land, which has exchanged new ordinary shares for a block of Property Investment and Finance, hardened to 39p, while PIF improved a penny further to 109p for a rise of 10 so far this week. Leading concerns were seldom more than two pence firmer. Land Securities resuming that much at 215p, after 216p, and M32 closed the turn to 122p. Stock Conversion closed 2 dearer at 232p, after 234p.

BP unsettled
Lower U.S. advice coupled with the occasional American selling order undermined British Petroleum's relatively thin trading raised Oil Exploration 12 to 330p. Elsewhere, marginal losses appeared against Lasso "OPS", at 370p, and Burnham, at 55p, while Woodside, a firm favourite, gave up 2 further at 88p.

Highlighting Investment Trusts was a jump of 20 to 63p in Scottish and Continental Investment following the utilisation or liquid-

ation proposals. Elsewhere, interest was also shown in Eurotrust advanced 4 to 41p and Scottish European 3 to 37p. In Financials, Dawson Day were favoured and rose a similar amount to 44p. Occasional buying left Common Brox, 3 higher at 195p, and Furness Withy, 2 better at 327p, in Shipings.

OFFSHORE AND OVERSEAS FUNDS

[illegible]

LEADERS AND LAGGARDS

[illegible]

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101
Index Guide as at 24th January, 1973 (Base 100 at 14.1.77.)

Clive Fixed Interest Capital	135.06
Clive Fixed Interest Income	124.73

CORAL INDEX: Close 467-472

INSURANCE BASE RATES	
† Property Growth	81%
Cannon Assurance	41%
† Vanbrugh Guaranteed	6.68%
† Address shown under Insurance and Property Bond Table.	

BASE LENDING RATES

A.B.N. Bank	61½	C. Hoare & Co.	71
Allied Irish Banks Ltd.	61½	Julian S. Hodge	59
American Express Bk.	64½	Hongkong & Shanghai	61½
Amro Bank	64½	Industrial Bk. of Scot.	61½
A.F. Bank Ltd.	61½	Investment	61½
Bank of Australia	61½	Kempney & Co. Ltd.	9
Bank of Baroda	61½	Lloyds Bank	61½
Bank of Credit & Comm.	61½	London & European	61½
Bank of Cyprus	61½	London Mercantile	61½
Bank of N.S.W.	61½	Midland Bank	61½
Banque Belg. Ltd.	61½	Samuel Montagu	61½
Banque du Rhone	7	Morgan Grenfell	61½
Barclays Bank	61½	National Westminster	61½
Barnett Christie Ltd.	61½	Norwich General Trust	61½
Bremer Holdings Ltd.	71½	P. S. Refson & Co.	61½
Brit. Bank of Mid. East	61½	Rossminster Accepts	61½
Brown Shipley	61½	Royal Bk. Canada Trust	61½
Canada Permanent AFI	61½	Schlesinger Limited	61½
Capital C & C Fin. Ltd.	61½	E. S. Schwartz	61½
Cayzer Ltd.	7	Security Trust Co. Ltd.	71½
Cedar Holdings	8	Shenley Trust	61½
Charterhouse Japhet	61½	Standard Chartered	61½
C. E. Hoare	61½	Trade Dev. Bank	61½
Consolidated Credit	61½	Trustee Savings Bank	61½
Co-operative Bank	61½	Twentieth Century Bk.	71½
Corinthian Securities	61½	United Bank of Kuwait	61½
Credit Lyonnais	61½	Whiteaway Laidlaw	7
The Cyprus Popular Bk.	61½	Williams & Glyn's	61½
Duncan Lawrie	61½	Yorkshire Bank	61½
Eagle Trust	61½	Members of the Accepting House	
English Transcont.	8	1-yr deposits 3½, 1-month deposits	2½
First London Secs.	61½	1-yr deposits on sums of £50,000 and upwards up to £25,000 5½	
First Nat. Nat. Fin. Corp.	61½	Call deposits over £1,000 4½	
First Nat. Secs. Ltd.	8	1 Demand deposits 4½	
Anthony Gibbs	61½	Rate also applies to sterling bank deposits	
Guaranty Bank	61½	1-yr deposits 3½, Rates for Term	
Guinness Mahon	61½		
Hambros Bank	61½		

INSURANCE, PROPERTY, BONDS.

[illegible]

NOTES

not include 5 premium, except where
+ 2, and are in place unless otherwise
+ 1, + 2, + 3, + 4, + 5, + 6, + 7, + 8, + 9, + 10, + 11, + 12, + 13, + 14, + 15, + 16, + 17, + 18, + 19, + 20, + 21, + 22, + 23, + 24, + 25, + 26, + 27, + 28, + 29, + 30, + 31, + 32, + 33, + 34, + 35, + 36, + 37, + 38, + 39, + 40, + 41, + 42, + 43, + 44, + 45, + 46, + 47, + 48, + 49, + 50, + 51, + 52, + 53, + 54, + 55, + 56, + 57, + 58, + 59, + 60, + 61, + 62, + 63, + 64, + 65, + 66, + 67, + 68, + 69, + 70, + 71, + 72, + 73, + 74, + 75, + 76, + 77, + 78, + 79, + 80, + 81, + 82, + 83, + 84, + 85, + 86, + 87, + 88, + 89, + 90, + 91, + 92, + 93, + 94, + 95, + 96, + 97, + 98, + 99, + 100, + 101, + 102, + 103, + 104, + 105, + 106, + 107, + 108, + 109, + 110, + 111, + 112, + 113, + 114, + 115, + 116, + 117, + 118, + 119, + 120, + 121, + 122, + 123, + 124, + 125, + 126, + 127, + 128, + 129, + 130, + 131, + 132, + 133, + 134, + 135, + 136, + 137, + 138, + 139, + 140, + 141, + 142, + 143, + 144, + 145, + 146, + 147, + 148, + 149, + 150, + 151, + 152, + 153, + 154, + 155, + 156, + 157, + 158, + 159, + 160, + 161, + 162, + 163, + 164, + 165, + 166, + 167, + 168, + 169, + 170, + 171, + 172, + 173, + 174, + 175, + 176, + 177, + 178, + 179, + 180, + 181, + 182, + 183, + 184, + 185, + 186, + 187, + 188, + 189, + 190, + 191, + 192, + 193, + 194, + 195, + 196, + 197, + 198, + 199, + 200, + 201, + 202, + 203, + 204, + 205, + 206, + 207, + 208, + 209, + 210, + 211, + 212, + 213, + 214, + 215, + 216, + 217, + 218, + 219, + 220, + 221, + 222, + 223, + 224, + 225, + 226, + 227, + 228, + 229, + 230, + 231, + 232, + 233, + 234, + 235, + 236, + 237, + 238, + 239, + 240, + 241, + 242, + 243, + 244, + 245, + 246, + 247, + 248, + 249, + 250, + 251, + 252, + 253, + 254, + 255, + 256, + 257, + 258, + 259, + 260, + 261, + 262, + 263, + 264, + 265, + 266, + 267, + 268, + 269, + 270, + 271, + 272, + 273, + 274, + 275, + 276, + 277, + 278, + 279, + 280, + 281, + 282, + 283, + 284, + 285, + 286, + 287, + 288, + 289, + 290, + 291, + 292, + 293, + 294, + 295, + 296, + 297, + 298, + 299, + 300, + 301, + 302, + 303, + 304, + 305, + 306, + 307, + 308, + 309, + 310, + 311, + 312, + 313, + 314, + 315, + 316, + 317, + 318, + 319, + 320, + 321, + 322, + 323, + 324, + 325, + 326, + 327, + 328, + 329, + 330, + 331, + 332, + 333, + 334, + 335, + 336, + 337, + 338, + 339, + 340, + 341, + 342, + 343, + 344, + 345, + 346, + 347, + 348, + 349, + 350, + 351, + 352, + 353, + 354, + 355, + 356, + 357, + 358, + 359, + 360, + 361, + 362, + 363, + 364, + 365, + 366, + 367, + 368, + 369, + 370, + 371, + 372, + 373, + 374, + 375, + 376, + 377, + 378, + 379, + 380, + 381, + 382, + 383, + 384, + 385, + 386, + 387, + 388, + 389, + 390, + 391, + 392, + 393, + 394, + 395, + 396, + 397, + 398, + 399, + 400, + 401, + 402, + 403, + 404, + 405, + 406, + 407, + 408, + 409, + 410, + 411, + 412, + 413, + 414, + 415, + 416, + 417, + 418, + 419, + 420, + 421, + 422, + 423, + 424, + 425, + 426, + 427, + 428, + 429, + 430, + 431, + 432, + 433, + 434, + 435, + 436, + 437, + 438, + 439, + 440, + 441, + 442, + 443, + 444, + 445, + 446, + 447, + 448, + 449, + 450, + 451, + 452, + 453, + 454, + 455, + 456, + 457, + 458, + 459, + 460, + 461, + 462, + 463, + 464, + 465, + 466, + 467, + 468, + 469, + 470, + 471, + 472, + 473, + 474, + 475, + 476, + 477, + 478, + 479, + 480, + 481, + 482, + 483, + 484, + 485, + 486, + 487, + 488, + 489, + 490, + 491, + 492, + 493, + 494, + 495, + 496, + 497, + 498, + 499, + 500, + 501, + 502, + 503, + 504, + 505, + 506, + 507, + 508, + 509, + 510, + 511, + 512, + 513, + 514, + 515, + 516, + 517, + 518, + 519, + 520, + 521, + 522, + 523, + 524, + 525, + 526, + 527, + 528, + 529, + 530, + 531, + 532, + 533, + 534, + 535, + 536, + 537, + 538, + 539, + 540, + 541, + 542, + 543, + 544, + 545, + 546, + 547, + 548, + 549, + 550, + 551, + 552, + 553, + 554, + 555, + 556, + 557, + 558, + 559, + 560, + 561, + 562, + 563, + 564, + 565, + 566, + 567, + 568, + 569, + 570, + 571, + 572, + 573, + 574, + 575, + 576, + 577, + 578, + 579, + 580, + 581, + 582, + 583, + 584, + 585, + 586, + 587, + 588, + 589, + 590, + 591, + 592, + 593, + 594, + 595, + 596, + 597, + 598, + 599, + 600, + 601, + 602, + 603, + 604, + 605, + 606, + 607, + 608, + 609, + 610, + 611, + 612, + 613, + 614, + 615, + 616, + 617, + 618, + 619, + 620, + 621, + 622, + 623, + 624, + 625, + 626, + 627, + 628, + 629, + 630, + 631, + 632, + 633, + 634, + 635, + 636, + 637, + 638, + 639, + 640, + 641, + 642, + 643, + 644, + 645, + 646, + 647, + 648, + 649, + 650, + 651, + 652, + 653, + 654, + 655, + 656, + 657, + 658, + 659, + 660, + 661, + 662, + 663, + 664, + 665, + 666, + 667, + 668, + 669, + 670, + 671, + 672, + 673, + 674, + 675, + 676, + 677, + 678, + 679, + 680, + 681, + 682, + 683, + 684, + 685, + 686, + 687, + 688, + 689, + 690, + 691, + 692, + 693, + 694, + 695, + 696, + 69

Ansofone LET ANSAFONE
ANSWER YOUR PHONE
From only £1.50 per week
19 Upper Brook Street, London, W1Y 2HS
01-629 9232

FINANCIAL TIMES

Thursday February 2 1978



CONTROVERSY LIKELY OVER GATWICK AND STANSTED DECISIONS

Plan to expand four airports

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT has decided there will be no new airport for London and the South-East at least until after 1990. All air traffic growth in the region until then will be met by expanding Heathrow, Gatwick, Luton and Stansted.

This is the main theme in the long-awaited White Paper on Britain's future airport strategy, published yesterday. It is certain to cause controversy, because of decisions to develop Gatwick to cater for 25m. passengers a year, and to take Stansted, Essex, up to 4m, and Luton to 5m.

At Heathrow, an eventual fifth terminal is rejected, and even the proposal to build a new terminal aimed at lifting the airport's capacity to 35m. passengers a year, is to be the subject of a public inquiry.

The British Airports Authority said its main concern was over the timing of decisions for the further development of Heathrow, Gatwick, Luton and Stansted. The U.K. could not afford to delay such decisions if London was to retain its lead as an international air centre.

Luton Borough Council, which owns Luton Airport, said it would support any transfer of ownership to the British Airports Authority.

Military

Other alternatives are a further major development of Stansted (perhaps to 10m-15m. passengers a year), or turning an existing military airfield into a civil airport.

Elsewhere in the country, the Government firmly rejects any suggestions of new airports, which it says are not needed.

It confirms Manchester as the major "international gateway" for Central and Northern England, but leaves to the proposed new Scottish Assembly all the major decisions about future airport development in Scotland. In Wales, Cardiff is confirmed as the main regional airport.

Some of the most far-reaching decisions involve tighter controls on aircraft noise. From

September 30 next, U.K. operators will not be allowed to buy any more "non noise-certified" subsonic jet airliners.

Although they will be allowed to continue using their existing older jets, they will have to get rid of those by January 1, 1986.

The effect of this will be to eliminate from U.K. airline fleets by that date all the present type Boeing 707s, DC8s, VC10s, Tri-jets and One Elevens, most of which are ageing anyway.

Also envisaged are powers for airport owners to discriminate in their pricing policies against noisy jets; the progressive phasing out of all night operations by noise jet prevention of new housing developments close to major airports; and efforts to promote development of quieter aircraft and engines.

The Government will also undertake a new research programme into the relationship between "aircraft" noise and sleep disturbance.

The Government claims that by reaffirming the abandonment of Maplin, the taxpayer has been saved £680m. on the airport and £410m. on the rail link and a total of £1.09bn. The present plans for Gatwick, Stansted and Luton will cost £150m.

The aim in future is to eliminate all direct central govern-

ment funds for airport development, with the British Airports Authority and local authorities financing their activities from their own resources.

Ray Perman, Scottish Correspondent, writes: Companies working offshore in the oil industry are likely to be asked to pay more to use airports in the North of Scotland and the Islands, as a result of the White Paper.

North Sea

Oil traffic has been growing rapidly in a number of airports, particularly Aberdeen and Sumburgh, Shetland, because of the increased pace of development work in the North Sea and the pressure from unions to reduce the length of time men spend on platforms and rigs. Special facilities have also had to be provided to handle freight and the transfer of men between fixed-wing aircraft and helicopters.

The Civil Aviation Authority, which is responsible for the smaller Highland airports, is being asked to develop a new pricing policy which will put more of the cost of these facilities on to oil industry traffic.

Lord Kirkhill, a Scottish Office Minister, said that it was unfair

to expect the local populations to continue paying for these arrangements.

Robin Reeves, in Cardiff, writes: Mr. John Morris, Secretary of State for Wales, said that Cardiff's designation as the regional airport for south Wales and south-west England was a tribute to the investment by the airport's owners, the three Glamorgan county councils, in modernising and expanding facilities at Rhosce, which has just been renamed Cardiff (Wales) Airport.

He was anxious now to do all he could to improve access to the airport. In particular, preparatory work on a trunk road link with the M4 motorway would be pressed ahead.

Mr. Morris hoped that public transport operators would exploit the opportunities presented by the Government's decision, paying particular attention to developing stronger links with the whole of south-west England.

On the other side of the Bristol Channel, however, Mr. Charles Merritt, leader of Bristol City Council, deplored the failure of the Government to recognise the potential of Bristol's Lulsgate Airport.

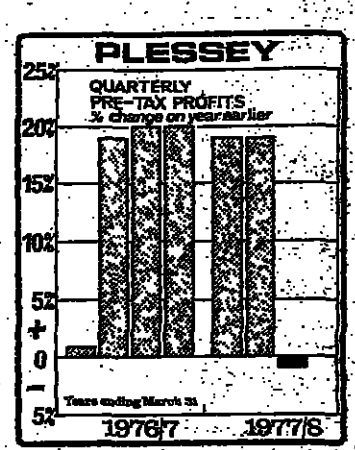
Airports Policy, Command 7084, SO, 85p. White Paper details Page 30

THE LEX COLUMN

Plessey slips out of the groove

If sterling had not strengthened and Garrard had not lost £2.8m. then, mused Plessey yesterday, the group's pre-tax profits would have risen by 24 per cent. in the nine months to December. But the harsh fact is that Plessey has been knocked off course for its target of a one-fifth growth rate this year, with profits just 13 per cent. up after nine months at £31.4m. pre-tax including an actual marginal decline for the December quarter (though this period has borne currency adjustments which strictly speaking relate partly to the earlier quarters).

Index rose 2.8 to 469.8



There is an implicit responsibility to report incumbent on every economic entity whose size or format renders it significant. It did not escape the attention of Britain's major accounting firms that this included them too. And they were quick to point out that as partnerships they had no legal responsibility to publish accounts, arguing that suggestions to the contrary were merely motivated by curiosity.

This attitude has not changed very much in the past three years but there are distinct signs that it is coming under increasing pressure. So long as the maverick Arthur Andersen was the only international firm Prospects still look reasonable for 1978-79; there are signs, however, of some slackening in the order intake of the electronics side, although the order book of the group has risen 123 per cent. in nine months. A key factor for sentiment will be the imminent U.S. decision on the aircraft landing system, for which Plessey is a contender.

The analysts have been regularly paring down their forecasts, and seem now to be expecting around £44m. for the year, against £39.6m. A p/e of around 9 at 91p is not very attractive, but then the shares can boast a yield of 9 per cent.

Prospects still look reasonable for 1978-79; there are signs, however, of some slackening in the order intake of the electronics side, although the order book of the group has risen 123 per cent. in nine months. A key factor for sentiment will be the imminent U.S. decision on the aircraft landing system, for which Plessey is a contender.

Peat Marwick has altered its view that curiosity will be the main motivation of those who read its report but justifies the decision to publish on the grounds that a policy of privacy "might well be misconstrued at a time when the profession's credibility is being challenged on many fronts."

The firm remains unwilling to publish detailed regional financial statements so the profitability of the U.K. business remains safely concealed within the document which influenced the Department of Trade's Green Paper last year.

One of the main conclusions of The Corporate Report was income of the Big Eight interna-

national accounting firms was \$515m. against \$480m. for Coopers & Lybrand and \$471m. for Arthur Andersen.

There are a couple of andronics. The accounts are not of course audited. And the report cannot be published in the U.K. because of the accounting profession's restrictive advertising rules. Those who curiosity gets the better of them will have to write to PMM in London for copies.

Elf Aquitaine

The latest evidence of a growing crisis in Europe's oil refining industry comes from Elf Aquitaine, which yesterday asked the French Government for financial aid. Elf, which is 70 per cent. owned by the State, says that its current rate of profits is not enough to finance this year's spending programme, and the main reason is that the refinery is heavily in the red on its refinery operations. These lost Frs.1bn. last year and 1978 is not going to be much better.

This sounds bleak—but other groups are suffering even more. Capacity utilisation in France's refineries is higher than in most European countries at about 70 per cent. and Elf itself is operating well above average thanks to a recent shut-down. Moreover the French market, which accounts for three-quarters of its product sales, has not been nearly as cut-throat as say, that in Germany.

However, the group has relatively high financial gearing—equity accounted for under a third of its last balance sheet total—and its capital spending has substantially exceeded net cash flow over the last two years. The development of the Frigg Field has been a major item, and the income which this is now generating is going to be put towards debt repayment.

Elf, which controls just under a quarter of the French market, was one of five companies which last year pressed the European Commission for regulation of the market for refined products. The French companies have also asked their own Government for control of import volumes and enforcement of minimum prices. The question is whether refineries are going to be shut down on a large scale, or whether individual Governmental subsidies will be prepared to subsidise surplus capacity through to the 1980's.

U.K. scheme to boost pay of foreign seamen

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH SHIPOWNERS may face increases in labour costs of between £31m. and £50m. a year by the beginning of the next decade as a result of proposals to eliminate the differential between British seamen and foreign ratings on British-flag vessels.

The proposals came in a report yesterday by a working group including shipowners, Government representatives and unions. Likely to become official Government policy, it envisages a five-year programme for sealing up pay of the foreign seamen involved, most of whom are Indian citizens.

Some 16,000 foreign seamen work on British ships (compared with 36,000 U.K. non-officer seamen). Although their number fell almost 100 per cent. in the decade from 1965, it is only expected to fall to about 14,000 by 1980.

No figures are available for the total wage bill, but the report suggests that if all differentials had been removed in 1976 the increase in costs would have been between 106

and 169 per cent. At present the basic rate for an Indian seaman is £49 a month compared with £187 a month for British seamen. The working group wants the first increase aimed at narrowing the wages gap to come this April with a payment of £20 a month.

In a foreword, Mr. Edmund Dell, the Trade Secretary, says the recommendations will not be adopted by the Government until interested bodies have commented. But the closing date for comments has been set for the end of this month to make the April starting date feasible.

The fact that a committee which included Mr. Jim Slater, general secretary of the National Union of Seamen, Mr. Peter Walters, president of the General Council of British Shipping, and representatives of Government was unanimous, Mr. Dell says, is "extremely persuasive support for their conclusions."

The increases could well cause problems for the shipping industry. Of the 35 management groups questioned by the working party, 19 said there would

be no possibility of recouping the higher costs through increased freight charges. And 27 groups raised the possibility of significant cuts in fleet size if the measures were pushed through too rapidly.

There was a general warning against a sudden change in policy to bring the law on seamen's pay into line with the spirit of the Race Relations Act of 1976.

Mr. Walters said yesterday that, even with the compromise package, there was bound to be some adverse reaction to increased costs at a time of widespread depression in shipping markets.

Mr. Slater said the NUS had withdrawn its demand for an immediate removal of differential pay for 123 projects of the Asian seafaring unions and the response of the Indian Government, which predicted widespread labour unrest in India if pay levels were raised too rapidly.

Employment of non-domiciled seafarers: SO £1.75.

Petrol stations put up prices by more than 10p a gallon

BY NICK GARNETT AND ELINOR GOODMAN

SOME PETROL stations yesterday put up the price of petrol by more than 10p a gallon as tanker drivers at the four largest oil companies started their overtime ban.

The ban seemed last night to have been fully adhered to but its effects had not reached the consumer.

Motorists were generally able to buy petrol without queuing for long. The four companies—Shell, Esso, BP and Texaco—said that at the moment they were ensuring that all categories of consumer received a fair proportion of reduced supplies.

The Heron group, which runs 187 petrol stations across the country, raised the prices it charges in some of its garages in London and the south from 73p a gallon to 85p.

In other parts of the country, Heron's increases were smaller. Some privately-run petrol stations were reported to be charging as much as 90p a gallon for four star.

There were fears in the industry that these big rises could provoke the Energy Department into using its powers to fix a maximum price on petrol. The Department, which was given these powers last year, said that it was monitoring the situation.

It is unlikely, however, that any such order would prevent further price increases completely, as the maximum price would presumably have to be pitched high enough to accommodate those garages which were not cutting the price before the overtime dispute began.

The Motor Agents Association defended what it described as "sensible, reasonable" price rises.

It said that since petrol stations work on such small margins, they would have to increase their prices if their volume fell away because of having less petrol to sell. Yesterday, however, sales were well on a normal day.

THE IMPACT on individual companies in the newly-revealed Whitehall "blacklist" of those who have breached the pay code became clearer yesterday as at least two companies admitted that Government sanctions had lost them money.

A secret Government document discovered by MPs this week showed that several companies had been warned that they might lose public contracts. Government grants and other industrial assistance while their "excessive" pay settlements continued.

The Treasury said last night that there had been no additions or subtractions to 19 companies named so far.

Until now, Government leaders have side-stepped the issue of whether the "blacklist" exists, but Mr. Kenneth Clarke, Opposition spokesman on industry, claimed that he had seen it.

The document is the first evidence that a reasonably comprehensive list of blacked companies exists, although the loss

of export credit guarantees to James Mackie, the Belfast engineering company, was well publicised before autumn.

In addition, representatives of the heating and ventilating industry have recently claimed that some of their companies received direct warnings from the Government's contracting agencies before a pay settlement breaching the pay guidelines was revised to avoid sanctions.

High Speed Turnings of Kirby, Merseyside, said yesterday that it had lost £800 a week in temporary employment subsidy after settling at 11.2 per cent.

The Delany Precision Engineering company, Northampton, said it had lost a £50,000 grant.

The list, mostly of small companies, is also reported to include W. Allport and Sons, Sutton Coldfield; T. Baker and Sons, Tipton; Brain Haulage, Grays, Essex; Hall Foundries, Warley, West Midlands; P. Shirley Smith, Knowle, Solihull; and South Croft Tin Mine, Cornwall.

Continued from Page 1

Leyland jobs

Eaton executive—Jaguar-Rover—Triumph, and Parts.

This reorganisation will go ahead steadily over the next 12 months. Mr. Edwards conceded that he might not be able to proceed as quickly as he had originally hoped—so that the management is bedded in for a major effect to improve performance next year.

The company's greatest need was for line managers, he said. He admitted there could be further resignations by managers who would not accept the new jobs they would be offered, but several new appointments were already in train, including the new managing director of Jaguar-Rover-Triumph.

Mr. Edwards said that he will be giving up the job of executive vice-chairman in charge of cars as soon as he finds a replacement. It was not proving easy to find managers of sufficient calibre to take this post, and the other executive vice-chairman position which still had to be filled.

In two important respects, the

Steel wage talks fail despite higher offer

BY ALAN PIKE, LABOUR CORRESPONDENT

TALKS ON a new pay agreement for 67,000 manual workers in the financially troubled steel industry ended without agreement last night.

The British Steel Corporation increased its original pay offer of 6 per cent. to 9 per cent. provided representatives of the industry's biggest union, the Iron and Steel Trades Confederation, co-operated in economy measures.

However, the talks failed to reach agreement on points concerning Corporation demands for improved dispute procedures and efforts to extend work measurement in the industry.

Mr. Bill Sims, ISTC general secretary, said at the end of nearly 14 hours negotiations that the talks had not formally broken down and that he would

now be reporting back to his executive on the outstanding issues.

But it remained unlikely that the union would reach a settlement based on a pay increase of less than 10 per cent.

He accused the Corporation of "taking advantage of" the industry's present poor financial position by trying to force the union into giving exceptional concessions in a normal annual pay review.

Mr. David Greaves, BSC Board Member for Personnel, described it as a tragedy that the Corporation had failed to reach agreement with its biggest union. Referring to the large loss the Corporation is expected to suffer this year, he said: "We tried to highlight the point that the hour is late."

with drifting. Wind N.W., fresh. Max. 3C (37F).

S.W. England, Channel Isles Wintry showers and sunny intervals. Wind strong to gale. Max. 6C (43F).

N. England, W. Midlands, Wales, Lakes, Isle of Man Wintry showers, prolonged in places. Wind strong to gale. Max. 3C (37F).

Scotland Steet or snow, heavy in places with drifting. Wind N.E. Max. 2C (36F).

Outlook: Wintry showers mostly in the East. Cold with night frost.

HOLIDAY RESORTS

Y-day Mid-day Y-day Mid-day Y-day Mid-day Y-day Mid-day

Alhambra C 2 36 Luxembourg R 2 36

Alhambra C 2 36 Luxembourg R 2 36

Alhambra C 2 36 Luxembourg R 2 36

Alhambra C 2 36 Luxembourg R 2 36

Weather

U.K. TO-DAY NORTH and Eastern areas will have sleet or snow, heavy in places, with drifting. In the South and West there will be wintry showers. Mostly windy. London, S. England, E. Anglia, E. Midlands.

Cloudy with wintry showers. Wind N.W., fresh. Max. 4C (39F).

East and N.E. England, Borders Sleet or snow, heavy in places.

BUSINESS CENTRES

Y-day Mid-day Y-day Mid-day Y-day Mid-day Y-day Mid-day

Alhambra C 2 36 Luxembourg R 2 36

Alhambra C 2 36 Luxembourg R 2 36

Alhambra C 2 36 Luxembourg R 2 36

Which companies choose Private Patients Plan?

PPP private health insurance protects thousands of companies large and small. Any company can start a PPP Company Group with upwards of five employees and enjoy discounts of between 25% and 35%. There are even greater reductions available for companies having more than 50 employees in the Group.

To find out more about PPP private health insurance, send for PPP's literature today and get details of the different plans available. It will place you under no obligation whatsoever and could mean a valuable saving.

To: Private Patients Plan, FREEPOST, TUNBRIDGE WELLS, Kent TN11 2YZ. Or post to: PPP, c/o The Financial Times Ltd., 1, Abchurch Lane, London EC4A 3DF.

Individuals/Families ☐ Companies ☐ Name (and under 65 years of age) ☐ Occupation ☐ Address ☐

Private Patients Plan

Established 1940. Organised by The Provident Association for Medical Care Limited. PROTECTS